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SAN FRANCISCO PORT COMMISSION

Ann Lazarus, President
Kimberly Brandon, Vice President
Rodney Fong, Commissioner
Michael Hardeman, Commissioner
Stephanie Shakofsky, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

PLEASE NOTE THE TIME OF THE MEETING

DOCUMENTS DEPT.

JUL 16 2007

SAN FRANCISCO
PUBLIC LIBRARY

AGENDA
TUESDAY, JULY 17, 2007
2:00 P.M. EXECUTIVE SESSION
3:15 P.M. OPEN SESSION
PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

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The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk.

1. **CALL TO ORDER / ROLL CALL**

2. **ANNOUNCEMENT OF PROHIBITION OF SOUND PRODUCING DEVICES DURING THE MEETING**

3. **APPROVAL OF MINUTES** - June 12, 2007

4. **PUBLIC COMMENT ON EXECUTIVE SESSION**

5. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

      (1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
      This session is closed to any non-City/Port representative.*

         a. Property: Piers 27-31

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Person Negotiating: Port: Byron Rhett, Deputy Director, Planning & Development
*SF Piers LLC: Tom Hart and Rocky Fried

Under Negotiation: _____ Price _____Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

6. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

7. EXECUTIVE

A. Executive Director's Report

- American Association of Port Authorities Communications Award of Excellence - Port of San Francisco's 2007 Maritime Calendar
- Fourth of July Celebration on the Waterfront
- All Star Game Festivities – July 6 to 10, 2007
- San Francisco Business Times Breakfast Forum – July 18, 2007 at 7:30 a.m. @ the San Francisco Hilton
- Sister Port Signing Ceremony between the Port of Shanghai and the Port of San Francisco – July 18, 2007 at 4:00 p.m. @ Port Commission Hearing Room, Ferry Building
- Pier 70 Community Planning Workshop – July 25, 2007 from 5:00 p.m. to 7:00 p.m. @ the Bayside Conference Room at Pier 1
- China Basin Seawall Lot 337 Public Workshop - July 30, 2007 from 5:00 p.m. to 7:00 p.m. @ the Bayside Conference Room at Pier 1
- Warm Water Cove Community Clean Up – August 4, 2007 from 9 a.m. to 12 noon @ Terminus of 24th Street
- Update on Proposed Automobile Importing at Pier 80
- Update on Expansion of Pier 70 Drydock

B. Informational presentation by Ed Reiskin, 311 Director, regarding "311" - San Francisco's new one-stop information telephone number.

C. Request approval of resolution in support of the Blue Angels' Air Show during Fleet Week. (Resolution No. 07-53)

8. CONSENT

A. Request approval of assignment of Pier 9, Suite 115, under Port Lease L-13914, to Ephesus Sourcing Services LLC, as Assignee by Yesim North America LLC, as Assignor for use as office space. (Resolution No. 07-50)

B. Request approval of sublease of a portion of the Premises at Pier 9, Suite 112, under Port Lease L-13903, to Influx Partners, General Partnership, as Sublessee to Barry & Associates, a Sole Proprietor, as Sublessor for use as office space for a term of three (3) years. (Resolution No. 07-51)

C. Request approval of Contract Modification to the Illinois Street Intermodal Bridge Contract No. 2680 with Shimmick Construction Company, Inc. to extend the final contract completion date to December 17, 2007. (Resolution No. 07-52)

9. PLANNING & DEVELOPMENT

A. Informational presentation regarding the Arts Commission proposal for public art by Louise Bourgeois at the plaza in front of Pier 14, at The Embarcadero and Mission Street.

10. REAL ESTATE

A. Informational presentation to introduce the new Street Performers Program for the Fisherman's Wharf area.

11. ENGINEERING

A. Request adoption of the 2007 Port of San Francisco Building Code. (Resolution No. 07-55)

B. Request authorization to award Construction Contract 2712, Pier 35 Improvements Project to D.F.P.F. Corporation dba Fine Line Construction in the amount of $1,407,496. (Resolution No. 07-56)

C. Request authorization to execute contract modification to the Pier 33 Roofing and Related Structural Repair Project, Contract No. 2710, with Best Contracting Services, Inc. to include additional bid alternates by increasing the contract amount by $1,064,915 to a total contract amount of $2,716,055 and extending the contract time duration by an additional 60 days. (Resolution No. 07-57)

12. NEW BUSINESS / AGENDA SETTING

- New Business
- Agenda Setting (Targeted Commission meeting, subject to change)
  - Request approval of the Port's revised Fiscal Year 2007-08 Operating Budget (August 14, 2007)

- Request approval of the Port's revised Fiscal Year 2007-08 Capital Budget (August 14, 2007)
- Informational report regarding the Unreinforced Masonry Buildings (UMB) at Pier 70 (August 14, 2007)
- Informational presentation on Building Occupancy Resumption Program of the Port of San Francisco (August 14, 2007)
- Informational presentation on a new Memorandum of Understanding between the Port and the Film Commission concerning space availability, pricing and permitting process for FY 2007-08 (August 14, 2007)
- Informational Presentation on the Environmental Risk Management Policy and Financial Assurance Requirements for Real Property Agreements (August 14, 2007)
- Request approval of a Memorandum of Understanding between the Port and the Municipal Transportation Agency for the rental of 30,625 square feet of Pier 17 for the storage of the Motor Coach Reserve Fleet for 36 months (August 14, 2007)
- Request approval of a Memorandum of Understanding between the Port of San Francisco and the San Francisco Municipal Transportation Agency for Islais Creek Shoreline Improvements (August 14, 2007)
- Request authorization to accept and expend $510,000 and $200,000 in grant funds from the California Department of Boating and Waterways (DBW) and the California Coastal Conservancy, respectively, for the Pier 52 Public Boat Launch Project; approval and ratification of the Port's application to DBW for these funds. (August 14, 2007)
- Request approval of Contract modification to the Illinois Street Bridge Contract No. 2709 with Stacy and Witbeck, Inc. to extend the contract completion date and to increase the contract amount (August 14, 2007)
- Request approval to execute Sixth Amendment to the Amended and Restated Exclusive Negotiation Agreement with SF Piers LLC for the Mixed-Use Recreation Project at Piers 27-31 Extending the Term and Amending the Benchmarks (August 14, 2007)
- Request approval of Arts Commission proposal for temporary installation of public art by Louise Bourgeois at Pier 14 (August 14, 2007)
- Request approval of a seven-year Lease between the Port of San Francisco and the Pilara Family Foundation for the Lease of Pier 24 Annex (August 14, 2007)
- Request approval of Lease with the San Francisco Bar Pilots for space located at Pier 9 (August 14, 2007)
- Request authorization to issue Request for Proposals (RFP) for Bulk Marine Terminal at Pier 96. ((August 14, 2007)
- Request approval of Third Amendment to Lease No. L-11451 between the Port and Mission Creek Harbor Association (September 11, 2007)
- Request approval of a Memorandum of Understanding between the Port and the Film Commission concerning space availability, pricing and permitting process for FY 2007-08 (September 11, 2007)
- Request authorization to advertise for the Demolition and Disposal of Port's Drydock No. 1 (September 11, 2007)
- Request approval of the Environmental Risk Management Policy and Financial Assurance Requirements for Real Property Agreements (September 11, 2007)

- Request approval of the Street Performers Program for the Fisherman's Wharf area (September 11, 2007)
- Report of Port Commission Committee regarding Seawall Lot 337 Planning Process (Date to be determined)
- Informational presentation regarding the Port's Long-Term Ground Lease Policy (Date to be determined)
- Request approval of proposal by the San Francisco Public Utilities Commission and Department of the Environment to develop a waste vegetable oil collection program for the City's residents and food service establishments on Port properties located at 1399 Marin Street, Seawall Lot 354, and 701 Amador Street, Seawall Lot 344 (Date to be determined)
- Request Endorsement of Amended and Restated Development Memorandum with SF Piers LLC for the Piers 27-31 Mixed-Use Recreation Project (Site Location: The Embarcadero between Francisco and Battery Streets) (Date to be determined)
- Request authorization to increase ferry rates at the Port of San Francisco (Date to be determined)
- Request approval of Tri-Party Agreement with Port, The Exploratorium and Baydelta Maritime for lease of space at Pier 17 (Date to be determined)

13. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

14. COMMUNICATIONS

Communications to the Port Commission received from June8 to July 12, 2007:

- From Simon Snellgrove, San Francisco Waterfront Partners, regarding Seawall Lots Legislation
- From the San Francisco Global Trade Council, invitation to their Annual Luncheon on June 20, 2007 at 12:15 p.m. at the Banker's Club of San Francisco
- From the Aquarium of the Bay and the Farallones Marine Sanctuary Association, invitation to the Opening Reception of the Poster Exhibition "From Sea to Shining Sea: 200 Years of Charting America's Coasts" on June 21, 2007 at 6 p.m. at the Aquarium of the Bay in Pier 39
- From the Northern California Carpenters Regional Council, invitation to the 47th Annual Moosefeed Luncheon on December 17, 2007
- From the Association of Pacific Ports, invitation to the 2007 Annual Conference in Mazatlan, Mexico on August 5-8, 2007
- From Port staff, update on Cruise Ship Discharge Program

- From Port staff, copy of a letter from Tom Bennigson to Chief Heather Fong regarding clarification of police policies and practices with respect to street musicians and other street performance artists
- From Dennis MacKenzie, Round the Diamond, copy of a letter to San Francisco Giants Baseball Club/Ownership Group regarding Fund Raising Request
- From Port staff, copy of the new Port of San Francisco Cruise Advertisement

15. ADJOURNMENT

JULY/AUGUST 2007

CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
July 10	**Cancelled**		
July 17	**2:00 p.m.**	**Closed Session/Port Commission**	**Port Commission Room**
	3:15 p.m.	**Open Session**	**@ Ferry Building**
August 14	**2:00 p.m.**	**Closed Session/Port Commission**	**Port Commission Room**
	3:15 p.m.	**Open Session**	**@ Ferry Building**

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406.

The Cruise Terminal Advisory Panel (CTAP) generally meets the second Thursday of the month. Contact John Doll at 274-0639 or john.doll@sfport.com

The Cruise Terminal Environmental Advisory Committee (CTEAC) generally meets quarterly. Date and time to be determined. Contact Michael Nerney @ 274-0416 or michael.nerney@sfport.com

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562 or jay.ach@sfport.com

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Michael Nerney @ 274-0416 or michael.nerney@sfport.com

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Peter Dailey@ 274-0517 or peter.dailey@sfport.com

The Mission Bay Citizens Advisory Committee meets regularly on the second Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tom Evans, Redevelopment Agency, @ 749-2539 or tom.evans@sfgov.org

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on the first Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Jennifer Sobol @ 274-0548 or jennifer.sobol@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Rincon Point-South Beach Citizens Advisory Committee meets regularly on the third Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tom Evans, Redevelopment Agency, @ 749-2539 or tom.evans@sfgov.org

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the third Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

The Port Permit Appeals Committee meets regularly on the first Thursday of June and December of the year. For further information contact Ed Byrne @ 274-0570 or ed.byrne@sfport.com or Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

ACCESSIBLE MEETING INFORMATION

Ferry Building:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets.
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

Pier 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Wendy Proctor, Port's ADA Coordinator, at 274-0592, the Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Frank Darby by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at sotf@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Darby or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.

NOTICES

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-53

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within the Port jurisdiction; and

WHEREAS, since 1981, the Port of San Francisco has hosted San Francisco Fleet Week activities; and

WHEREAS, Fleet Week is a civic celebration and an annual opportunity for Northern Californians to honor the men and women serving in the United States Navy, Coast Guard and Marines; and

WHEREAS, last year the Port was host to ten different U.S. Navy, U.S. Coast Guard and Canadian Navy vessels; and

WHEREAS, approximately 9,000 crewmembers on ten visiting ships from the U.S. Navy, U.S. Coast Guard and Canadian vessels arrived in the City to participate in Fleet Week; and

WHEREAS, the visiting ships were berthed at Piers 80, 30/32, 27, 15/17 and Pier 35; and

WHEREAS, the stars of Fleet Week were the aircraft carrier USS Nimitz which was berthed in the Bay and the U.S. Navy Blue Angels which performed two air shows and celebrated their 60th year anniversary; and

WHEREAS, thousands of residents and visitors came to the Port to visit the various ships and watch the Blue Angels; and

WHEREAS, Fleet Week was one of the biggest event weekends on the Bay for our excursion industry; and

WHEREAS, Hornblower, the Jeremiah O'Brien, Signature Yachts, Red and White Fleet as well as the sport fishing boat tours were all extremely busy during that weekend which, based on the Port's share of a percentage of their revenue, meant a fair amount of increased revenue to the Port; and

WHEREAS, Pier 39, the Fisherman's Wharf Merchants Association and the Fisherman's Wharf Community Benefit District sent a letter to the Board of Supervisors in support of the Blue Angels performance during Fleet Week; and

WHEREAS, for many years the Blue Angels have been a major attraction for Fleet Week and Fleet Week would be incomplete without them; now, therefore, be it

RESOLVED, that the Port Commission hereby supports the Blue Angels air show performance during the annual Fleet Week celebration in San Francisco; and be it further

RESOLVED, that the Port Commission directs staff to send a letter to the Board of Supervisors in support of the Blue Angels performance during Fleet Week.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of July 17, 2007.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

July 11, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Rodney Fong
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Approval of assignment of Pier 9, Suite 115, under Port Lease L-13914, to Ephesus Sourcing Services LLC, as Assignee by Yesim North America LLC, as Assignor for use as office space.

DIRECTOR'S RECOMMENDATION: APPROVE ASSIGNMENT

Background

The Port of San Francisco and Yesim North America LLC entered into Lease No. L-13914 dated as of August 18, 2005 (the "Lease"), for Parcel A: approximately 2,479 square feet of office space; and Parcel B: approximately 843 square feet of non-exclusive apron space, located at Pier 9, Suite 115. The term of the Lease is for three (3) years, commencing on October 21, 2005 and terminating on October 20, 2008. The Base Rent under the Lease is $6,684.75 per calendar month.

Yesim North America LLC desires to assign its interest in the Lease to Ephesus Sourcing Services LLC and Ephesus Sourcing Services LLC desires to assume all obligations of Yesim North America LLC under the Lease. Ephesus Sourcing Services LLC shall be bound by all of the terms, covenants, provisions and agreements of the Lease. Yesim North America LLC shall not be released or discharged from any liability, whether past, present or future, under the Lease including but not limited to the payment of rent and any indemnification, hold harmless or exculpation obligations.

Port Real Estate staff has reviewed the proposed transaction and the Lease Application and credit information supplied by Ephesus Sourcing Services LLC and is comfortable that Ephesus Sourcing Services LLC can meet all of the obligations of the terms and conditions of the Lease. A consent to assignment document utilizing the Port's own standard assignment form has been submitted for approval by Yesim North America LLC and Ephesus Sourcing Services LLC. The salient terms and conditions of the proposed consent to assignment are as follows:

THIS PRINT COVERS CALENDAR ITEM NO. 8A

Lessor:	San Francisco Port Commission
Assignee:	Ephesus Sourcing Services LLC, a textile company
Assignor:	Yesim North America LLC, a textile company
Premises:	Parcel A: approximately 2,479 square feet of office space; and Parcel B: approximately 843 square feet of non-exclusive apron space, located at Pier 9, Suite 115.
Rent:	$6,684.75 per month or $2.63 per square foot per month for Parcel A and $0.21 per square foot per month for Parcel B
Term:	Three (3) years, commencing on October 21, 2005 and terminating on October 20, 2008

All other Terms and Conditions: as set forth in Lease No. L-13914

Port's consent:	Section 21.2 (Port's Consent Required) of the Lease provides that the Tenant shall not make or permit any Transfer (including, without limitation the proposed assignment) of the Lease except with the prior written consent of the Port in each instance as evidenced by Port Commission resolution.

RECOMMENDATION

Port Real Estate staff recommends that the Port Commission (1) approve the proposed consent to assignment of the Premises affected by Lease No. L-13914 with Yesim North America LLC as Assignor and Ephesus Sourcing Services LLC as assignee, and (2) authorize the Executive Director in consultation with the City Attorney, to take all such further action required to effect the same, including the execution of a consent to assignment or other agreement, so long as the existing obligations or liabilities of the City and Port are not materially increased and the benefits to the Port are not materially decreased.

Prepared by: Richard A. Rovetti, Commercial Property Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 07-50

WHEREAS, Charter Section 3.581 of the Charter of the City and County of San Francisco empowers the Port Commission with the power and authority and duty to use, conduct, operate, maintain, manage, regulate and control the Port area(s) of the City and County of San Francisco; and

WHEREAS, Section 3.581(g) of the Charter of the City and County of San Francisco provides that leases granted and made by the Port Commission should be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, The Port entered into Lease No. L-13914 for real property located at Pier 9, Suite 115 with Yesim North America LLC, as Tenant; and

WHEREAS, Lease No. L-13914 has a Term of three (3) years, commencing on October 21, 2005 and terminating on October 20, 2008; and

WHEREAS, Yesim North America LLC has proposed to assign its interest in the Lease to Ephesus Sourcing Services LLC and Ephesus Sourcing Services LLC desires to assume all obligations of Yesim North America LLC under the Lease; and

WHEREAS, Lease No. L-13914 provides that any transfer of the Lease including without limitation the proposed assignment by Yesim North America LLC to Ephesus Sourcing Services LLC must be approved by the Port Commission; and

WHEREAS, Yesim North America LLC is a tenant in good standing and is not in default of any of its obligations under the terms and conditions of Lease No. L-13914 and Ephesus Sourcing Services LLC has the financial wherewithal to meet the obligations of the Lease; now, therefore, be it

RESOLVED, That the San Francisco Port Commission hereby consents to the assignment by Yesim North America LLC of Lease No. L-13914 to Ephesus Sourcing Services LLC on the terms and conditions described in the Memorandum to Port Commissioners dated July 17, 2007; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director, in consultation with the City Attorney, to take all such further action as is necessary to implement the intent of this Resolution including the execution of a consent to assignment or other agreement, to the extent that the obligations or liabilities of the City and County of San Francisco and the Port are not materially increased, or the material benefits to the City and County of San Francisco or the Port are not materially decreased.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 17, 2007.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

July 11, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Anne Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Approval of sublease of a portion of the Premises at Pier 9, Suite 112, under Port Lease L-13903, to Influx Partners, General Partnership, as Sublessee to Barry & Associates, a Sole Proprietor, as Sublessor for use as office space for a term of three (3) years.

DIRECTOR'S RECOMMENDATION: APPROVE SUBLEASE

Background

On October 11, 2005, and pursuant to Port Commission Resolution No. 05-65, the Executive Director executed Port Lease No. L-13903 ("Lease") with Barry & Associates, a Sole Proprietor ("Barry & Associates") for approximately 2,488 square feet of office space on two floors at Pier 9, Suite 112. The term of the Lease is five (5) years, commencing July 1, 2005 and terminating June 30, 2010. The Base Rent for the Premises under the Lease is $6,344.40 per calendar month.

The Premises is too large for Barry & Associates. Barry & Associates proposes to continue using the ground floor area of the Premises while subletting the mezzanine floor of the Premises to Influx Partners, General Partnership ("Influx Partners").

Port Real Estate staff has reviewed the proposed transaction and the Lease Application and credit information supplied by Influx Partners and is comfortable that Influx Partners can meet all of the obligations of the terms and conditions of the Lease. A sublease has been submitted with a draft consent based on the Port's own standard sublease form for approval. The salient terms and conditions of the proposed sublease are as follows:

THIS PRINT COVERS CALENDAR ITEM NO. 8B

Lessor:	San Francisco Port Commission
Sublessor:	Barry & Associates, Sole Proprietor, a law firm
Subtenant:	Influx Partners, General Partnership, a marketing and business development firm
Subleased Premises:	1,078 square feet of mezzanine office space at Pier 9, Suite 112
Sublease Rent:	$2,500.00 per month or $2.00 per square foot which is equal to the amount paid by Barry Associates to the Port
Sublease Term:	three (3) years and 3 months, commencing April 1, 2007 and terminating June 30, 2010

All other Terms and Conditions: as set forth in Lease No. L-13903

Port's consent:	Section 21.2 (Port's Consent Required) of the Lease provides that the Tenant shall not make or permit any Transfer (including, without limitation the proposed sublease) of the Lease except with the prior written consent of the Port in each instance as evidenced by Port Commission resolution.

RECOMMENDATION

Port Real Estate staff recommends that the Port Commission (1) approve the proposed sublease of a portion of the Premises affected by Lease No. L-13903 with Barry & Associates, a Sole Proprietor, as Sublessor and Influx Partners, General Partnership, as subtenant, and (2) authorize the Executive Director, in consultation with the City Attorney, to take all such further action required to effect the same, including the execution of a consent to sublease or other agreement, so long as the existing obligations or liabilities of the City and Port are not materially increased and the benefits to the Port are not materially decreased.

Prepared by: Richard A. Rovetti, Commercial Property Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 07-51

WHEREAS, Charter Section 3.581 of the Charter of the City and County of San Francisco empowers the Port Commission with the power and authority and duty to use, conduct, operate, maintain, manage, regulate and control the Port area(s) of the City and County of San Francisco; and

WHEREAS, Section 3.581(g) of the charter of the City and County of San Francisco provides that leases granted and made by the Port Commission should be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, On October 11, 2005 and pursuant to Port Commission Resolution No. 05-65, the Port, as Landlord entered into Lease No. L-13903 for real property located at Pier 9, Suite 112 (Premises) with Barry & Associates, a Sole Proprietor, as Tenant; and

WHEREAS, Lease No. L-13903 has a Term of five (5) years, commencing July 1, 2005 and terminating June 30, 2010; and

WHEREAS, Barry & Associates, a Sole Proprietor, has proposed to sublease a portion of the Premises affected by Lease No. L-13903 to Influx Partners, General Partnership; and

WHEREAS, Lease No. L-13903 provides that any transfer of the lease including without limitation the proposed sublease by Barry & Associates, a Sole Proprietor to Influx Partners, General Partnership, must be approved by the Port Commission; and

WHEREAS, Barry & Associates, a Sole Proprietor is a tenant in good standing and is not in default of any of his obligations under the terms and conditions of Lease No. L-13903 and Influx Partners, General Partnership, has the financial wherewithal to meet the obligations of the Lease; now, therefore, be it

RESOLVED, That the San Francisco Port Commission hereby consents to the sublease by Barry & Associates, a Sole Proprietor of a portion of the Premises affected by Lease No. L-13903 to Influx Partners, General Partnership, on the terms and conditions described in the Memorandum to Port Commissioners dated July 17, 2007; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director, in consultation with the City Attorney, to take all such further action as is necessary to implement the intent of this Resolution including the execution of a consent of sublease or other agreement, to the extent that the obligations or liabilities of the City and County of San Francisco and the Port are not materially increased, or the material benefits to the City and County of San Francisco or the Port are not materially decreased.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 17, 2007.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

July 11, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Contract modification to the Illinois Street Intermodal Bridge Contract No. 2680 with Shimmick Construction Company, Inc. to extend the final contract completion date to December 17, 2007.

DIRECTOR'S RECOMMENDATION: ADOPT THE RESOLUTION AUTHORIZING STAFF TO EXECUTE CONTRACT MODIFICATION TO CONTRACT NO. 2680

Introduction

Port staff requests Commission authorization to execute a contract modification to the Illinois Street Intermodal Bridge Contract (Contract No. 2680) with Shimmick Construction Company, Inc. to extend the Final Contract Completion date from July 31, 2007, to December 17, 2007, to provide sufficient time for installation and retesting of electrical wiring removed by vandals, installation of new lockable pull boxes, and to further postpone the integrated testing of the bridge control system. Port Commission authorization for this proposed contract modification is required because the time extension will cumulatively extend the schedule for final completion beyond 10 percent of the original contract duration. Port staff are currently negotiating the cost of this modification and additional work but those negotiations with the contractor have not yet been concluded.

Background

Due to funding regulations[1], the Illinois Street Bridge Project construction is being completed with two separate contracts. Contract No. 2680 was awarded to Shimmick Construction Company for the design and construction of the main section of the bridge, control system and North Approach. A separate contract, Contract No. 2709, was awarded to Stacy & Witbeck for construction of the South Approach.

[1] Approximately 20% of the Bridge construction funding is provided by a grant from the Federal Highway Administration. It has required use of a separate contractor and has resulted in significant delays to the construction schedule.

This Print Covers Calendar Item No. 8C

Shimmick Construction Company achieved substantial completion of Contract No. 2680 on October 31, 2006. The remaining work was completed by December 31, 2006, with the exception of minor items and integrated testing of the bridge control system. Port staff negotiated a change order with Shimmick to postpone final testing of the bridge operations until completion of the South Approach by Stacy & Witbeck. After completion of the South Approach, Shimmick will remobilize to perform the final testing program, including control system adjustments and training of Port personnel, which is scheduled to be completed within two months after remobilization.

Shimmick's testing team planned to remobilize in June, 2007, however two unforeseen events have delayed testing. On April 12, 2007, the Port learned that thieves had opened 22 electrical pull boxes and stole the copper wiring for the traffic and train control systems. The pull boxes had been installed pursuant to regulations of the City's Department of Parking and Traffic which requires accessible, unlocked covers. Port staff anticipate that installation of new wiring will be completed before the South Approach is finished. The second delay factor stems from unavoidable delays in completion of the South Approach, namely, Stacy & Witbeck's sole source procurement of Auxiliary Water Supply System (AWSS) material and the discovery and mitigation of unforeseen underground utilities. Substantial completion of the South Approach is now forecast to occur on October 15, 2007.

The Port staff are negotiating a change order with Shimmick to reinstall and retest the wiring, provide lockable pull boxes, and to further postpone final bridge testing until October 15, 2007, to coincide with substantial completion of the South Approach. Although negotiations with the contractor are still pending concerning these items, Port staff seek authorization to extend the Shimmick contract at this time before the expiration of the current contract on July 31, 2007. Otherwise the matter will not be presented until the next Port Commission meeting on August 14, 2007, after expiration of the contract term.

Funding

The current authorized funding and contract amount for Contract No. 2680 are summarized below:

Contract No. 2680 Authorized Funding

Item	Amount
Total Funds for Contract No. 2680 Authorized by Commission	$18,673,500
Total Contract Amount to Date Including Executed Change Orders	$18,661,260
Sub-total Remaining Available Construction Contingency	$12,240

Subject to negotiations with the contractor, additional funds may be needed to increase the amount of Contract No. 2680 for the additional work. If required, Port Staff will advise the Commission and request approval of any additional funding that may be required to complete this work.

Summary

Port staff request Commission authorization to execute a contract modification to extend the Final Contract Completion date for Contract No. 2780 from July 31, 2007, to December 17, 2007, to provide sufficient time for additional work caused by vandalism of the electrical components of the bridge, as described above, and for final testing of the bridge. Staff also recommend that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Kim von Blohn
Project Manager

For: Edward F. Byrne
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-52

WHEREAS, The design and construction of the Illinois Street Bridge, control system, and north approach has been substantially completed pursuant to Port Contract No. 2680 with Shimmick Construction Company, Inc. (Shimmick) with final integrated testing of the bridge and related work remaining; and

WHEREAS, Due to unforeseen events, including theft of copper wiring from electrical pull boxes for control systems and delays in completion of the Contract No. 2709 for the South Approach of the bridge, the final remaining work under Contract No. 2680 has been delayed; and

WHEREAS, As a result of such unforeseen events, Port staff have determined that it is cost-effective and appropriate to modify Contract No. 2680 with Shimmick to provide lockable electrical pull boxes, to reinstall and retest the wiring, and to postpone integrated testing of the bridge control system until completion of Contract No. 2709; and

WHEREAS, Staff are currently in negotiations with Shimmick concerning such work, but such negotiations have not been concluded and this requires extending the existing final completion date for Contract No. 2680 from July 31, 2007, to December 17, 2007; now, therefore be it

RESOLVED, That the Port Commission hereby authorizes Port staff to execute a contract modification to Illinois Street Intermodal Bridge Contract No. 2680 to extend the existing final completion date from July 31, 2007, to December 17, 2007, to permit Port staff to conclude negotiations concerning the installation of lockable electrical pull boxes, reinstallation and retesting of the wiring, and further postponement of integrated testing of the bridge; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 17, 2007.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

July 10, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney A. Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Informational presentation regarding the Arts Commission proposal for public art by Louise Bourgeois at the plaza in front of Pier 14, at The Embarcadero and Mission Street.

RECOMMENDATION: INFORMATIONAL ONLY; NO ACTION REQUIRED

Project Summary
In 2006, the Port Commission approved installation of the *Passage* sculpture in the plaza area between the Agriculture Building and Pier 14. *Passage* is scheduled to be removed in October of this year. The sculpture has been successful in attracting interest to itself and attention to the waterfront.

The Arts Commission is proposing to site a temporary exhibit of a sculpture known as *Crouching Spider* by the artist Louise Bourgeois (see attached graphic) in the same location in front of Pier 14. *Crouching Spider* is proposed to be installed in November or December of this year for eight months with a possible six-month extension.

Description of Project
Mayor Gavin Newsom has given the Arts Commission a mandate to promote temporary public art in the City as a way to engage the public and animate the cultural landscape of the City. Over the past two years, starting with the David Best Temple project in the Hayes Green, the Arts Commission has managed, facilitated or voted to support the display of 14 temporary art projects throughout San Francisco in locations ranging from Hayes Green to Civic Center Plaza and Golden Gate Park. The Arts Commission believes the entry area to Pier 14 to be a prime location for public art within the City and is proposing to the Port to temporarily locate at this site a significant work of art by the French artist Louise Bourgeois.

This Print Covers Calendar Item No. 9A

PORT OF SAN FRANCISCO

MEMORANDUM

July 10, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney A. Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Informational presentation regarding the Arts Commission proposal for public art by Louise Bourgeois at the plaza in front of Pier 14, at The Embarcadero and Mission Street.

RECOMMENDATION: INFORMATIONAL ONLY; NO ACTION REQUIRED

Project Summary
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Italics

Description of Project
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This Print Covers Calendar Item No. 9A

Louise Bourgeois was born in Paris in 1911 and moved to New York in 1938, where she still resides. She is widely considered to be one of the greatest artists of the past century. Her work has been shown in museums throughout the world including the Museum of Modern Art in New York, the Tate Modern in London, the Centre Georges Pompidou in Paris, the Guggenheim Museum in Bilbao, and many others. She is the recipient of the National Medal of Arts award presented by President Clinton at the White House and the Grand Prix National de Sculpture presented by the French Ministry of Culture. This would be the first time that a work by the artist is publicly displayed in San Francisco. *Crouching Spider*, along with several other sculptures from the same series, was publicly displayed at Rockefeller Center in New York City to great success in 2001.

The figurative sculpture is that of a large bronze and stainless steel spider. The sculpture is about 9-feet tall and 27-feet across at its widest leg to leg point. To protect *Crouching Spider* and discourage people from climbing, the sculpture would be mounted on a platform slightly taller than curb height with the possibility of an additional vertical edge to discourage walking or skateboard use over the plinth. Appropriate signage to prohibit climbing or skateboarding would be installed and the Arts Commission is considering hiring an evening security service to further protect the sculpture.

Crouching Spider, as recently displayed in front of the Philadelphia Museum of Art.

The sculpture would be located near Pier 14 in the plaza area east of The Embarcadero Promenade where it could be viewed by pedestrians while not impeding Promenade circulation. The sculpture installation would be consistent with the Port's public trust responsibility of providing facilities that attract people to the waterfront. The space for the installation is large enough so that to view the art, visitors could gather off the Promenade or sit on raised sections of the Art Ribbon.

Placement of *Crouching Spider* at Pier 14 would be through a voluntary loan by the artist and her associated gallery. The placement would not generate funds for the artist and costs for the installation, maintenance and insurance would be covered by the Arts Commission.

If approved by the Port Commission next month, the Port would enter into a Memorandum of Understanding (MOU) with the Arts Commission that would require the Arts Commission to provide engineering for sculpture installation, deterrents to climbing the sculpture, all installation and removal costs, maintenance, and all insurance and liability related to the sculpture. The MOU would state that the City, through its General Fund would accept liability for the sculpture and any incident associated with it, and the Arts Commission would procure a fine arts insurance policy in the amount of $6 million to cover the sculpture and indemnify the artist and gallery that are lending the sculpture to the City. The installation period could begin in November of this year. The Bay Conservation and Development Commission granted the Port a permit to locate temporary art at this site for periods of up to 24-months without further review required by their agency.

Other Public Review

The Visual Arts Committee of the Arts Commission held a public hearing and recommended placement of *Crouching Spider* at Pier 14 on June 20, 2007. Following the July 17, 2007 public review of this proposal by the Port Commission, Port staff anticipates returning to the Port Commission on August 14, 2007 with a resolution for Port Commission approval to allow the Executive Director to enter into a MOU with the Arts Commission for its placement.

Prepared by: Dan Hodapp
Senior Waterfront Planner

PORT OF SAN FRANCISCO

MEMORANDUM

July 11, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Informational presentation to introduce the new Street Performers Program for the Fisherman's Wharf area.

DIRECTOR'S RECOMMENDATION: Informational Only- No Action Required

Background

On March 14, 2005, Port staff made an informational presentation to the Port Commission on the development of three programs: 1) the use of Herb Caen Way for pedestrians and non-motorized traffic, 2) sidewalk encroachments, particularly on the south side of Jefferson Street, and 3) street performers. This item will update the Port Commission on the development of the Fisherman's Wharf Street Performer Program, Guidelines and Rules ("Program"), a draft of which is attached hereto.

At a March 2006 hearing, the Port Commission heard from a number of Street Performers who encouraged the creation of an organized program. Staff has also received requests from the Fisherman's Wharf business community and San Francisco Police Department to develop a program. With the needs of the community in mind, staff began developing guidelines to enable and enforce the objectives of a Street Performer program:

1. Insure pedestrian safety and mobility on the sidewalk,
2. Reduce and control overly loud performances that interfere with nearby businesses,
3. Reduce unfairness in the current performer location process which suppresses variety and equal access,
4. Develop Fisherman's Wharf as an entertainment destination, and
5. Indirectly increase Port revenue through higher percentage rents from existing tenants.

In 1984, the Port Commission authorized a Gold Card program to organize Street Performers, but there is no evidence that it was implemented. Subsequent court decisions have clarified and expanded First

This Print Covers Calendar Item No. 10A

Amendment privileges for free speech on public property by allowing limits based on time, place, and manner of performances. Regulations are allowed that protect public safety such as controlling audience size to keep pedestrians from having to walk in the street, public comfort including noise and decency ordinances, and permits to sell performance-related materials.

PORT MASTER LICENSE

Port staff is pursuing the option of Master Licensing administration of the Program to the Fisherman's Wharf Association of San Francisco, a California non-profit public benefit corporation, also known as the Community Benefit District or CBD. Under their bylaws, they may, "authorize contracts and agreements...and undertake all other financial and programmatic actions as are necessary or desirable to further the purposes of the corporation." Port staff has met with the CBD Board of Directors and provided an overview of the Program and how the CBD's day-to-day management of the Program could work. The CBD would manage the application, license, and lottery procedures with the support of Port staff. We will continue to discuss this option with them and with Port Legal staff.

Revenues generated from issuing licenses will be used to fund a part-time Program Coordinator position under supervision of the CBD. Any excess funds will be used to purchase equipment such as decibel meters and replacement signage. The Program is not expected to generate sums in excess of those needed to cover management and materials costs.

TYPES OF PERFORMERS:

Street Performers include but are not limited to musicians, jugglers, storytellers, magicians, mimes, clowns, human statues, and dancers. The Port expects to license a wide variety of street performers with varying skill levels. Port staff will not audition or qualify performers, which could be perceived as limiting their Freedom of Speech.

Street Artists are specifically excluded from this program. They are regulated through a Memorandum of Understanding between the Port and the San Francisco Arts Commission. The SF Street Artist Program permits artists to display and sell their art at designated locations at the Wharf.

BROAD OUTLINE OF PROGRAM

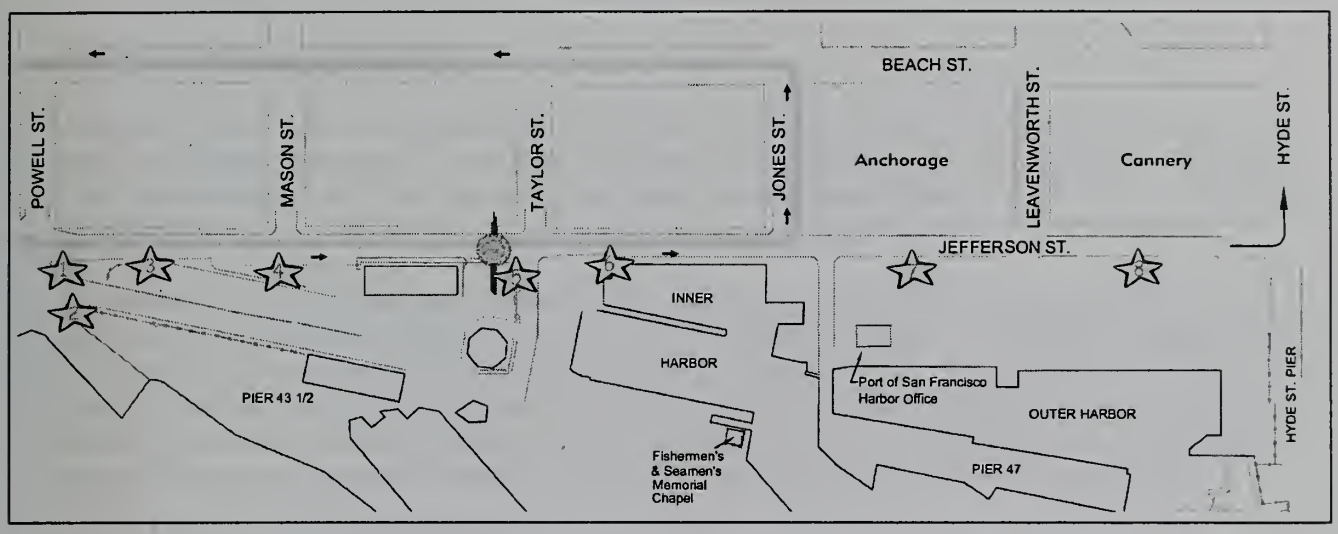
1. Two-tiered program: performers with and without licenses.
2. Scheduled, publicized, longer performance times for performers with licenses.
3. Scheduled times will be determined by a monthly lottery for performers with licenses.
4. Amplified sound requiring gas generators or wet-cell batteries will be permitted for licensed performers.
5. Unscheduled time slots are available for performers with and without licenses on a first-come, first-served basis.
6. Guidelines and Rules established for all Performers. Develop, communicate and enforce applicable Municipal Codes.

PERFORMANCE LOCATIONS AND SCHEDULE:

Performance locations are more suitable for certain types of performers than others depending on the noise impacts to the community, size of anticipated audience, and number of performers. Port Staff has identified up to eight performance locations that are presently available and suitable for groups from one to five performers with small to medium sized audiences. Due to the nature of the performance locations, "silent" performances are allowed at all locations, "quiet" performances are allowed at most, and amplified sound is limited to two locations.

Performance locations are available daily in four 3-hour increments for scheduled performers at 10:00 a.m., 1:00 p.m., 4:00 p.m., and 7:00 p.m. All performances must stop at 10:00 p.m. A monthly lottery will be conducted allowing a licensed performer to be scheduled for one time slot per day.

LOCATION MAP:



The unscheduled times are available to all performers on a first-come, first served basis, with a 1 ½ hour limit if another performer is waiting their turn. This is consistent with provisions of the Port's Park Code which provides that only licensed performances may publicize an event more than four days in advance.

Port staff or the CBD will post a summary of the Street Performer Guidelines, Location map, and Weekly Schedule at the designated performance sites and on the Port and CBD websites. This publicity is expected to facilitate compliance and draw more people to the Wharf. To aid in the success of this program, Port Staff recommends utilization of current Port security patrols and SFPD officers to spot check that the performer with a license has possession of their scheduled location at their scheduled time. Port Security guards will also insure that both licensed and unlicensed performers comply with the terms of the Guidelines for Street Performers and provide other enforcement duties as needed.

Licensed performers who violate the Rules and Regulations may have their license revoked with due process.

RESEARCH:

Staff obtained information from a number of sources in developing this program:

1. The City's and Port's past history in free speech litigation,
2. Consultation with Port General Counsels Noreen Ambrose and Robert Bryan, and Deputy City Attorney Virginia Dario Elizondo, SF BOS Legislative Analyst Report No. 073-05 on Street Performers,
3. The Port's earlier Gold Card Street Performer program,
4. Site visit with Port Planning on appropriate locations,
5. Consultation and site visits with Port tenants and neighboring businesses,
6. Consultation with San Francisco Police Department including Captain James Dudley and Officer Fred Crisp,
7. Consultation with Street Performers, primarily Stephen Dreyfuss,
8. Consultation with members of the San Francisco Entertainment Commission,

9. Consultation with Mary McCue at MMC Management, who manages performers at City venues at Union Square and Yerba Buena,
10. Consultation with the Fisherman's Wharf CBD Board of Directors,
11. Informal conversations with ACLU staff attorney, Tom Bennigson, and
12. Review of the performer programs at Seattle's Pike Place, Vancouver's Granville Island, and Santa Monica.

PROPOSED FEE STRUCTURE:

A pre-paid Street Performer License is $600 per year or $350 per half-year (January 1 through June 30, and July 1 through December 31) and $250 per quarter year (Jan-Mar, April-June, July-Sept, Oct-Dec). Each performer or group is entitled to only one License for the specified term. Licenses may not be sold or transferred.

The proposed License Fee recognizes the income-producing value of performing at the Wharf, the value of scheduled, publicized performance times, the periodic and seasonal nature of performers' outdoor work, and that their income is based upon donations only. One concern is if the Port issues too many licenses, there will not be enough time slots available to make it cost effective for performers to justify the cost of a license. Limiting the number of licenses through the pricing structure can enable the Port to control the number of licensees and assure availability of performance locations for unlicensed performers.

NEXT STEPS, PORT STAFF WILL:

1. Schedule a community workshop that will include Street Performers, Fisherman's Wharf Waterfront Advisory Group, Fisherman's Wharf Merchant's Association, the CBD, and other interested groups to further define and finalize the program.
2. Continue to obtain input from inter-departmental staff, First Amendment specialists in the City Attorney's Office, and San Francisco Police Department.
3. Continue to meet with CBD executive director, Karen Bell, to discuss master licensing of the program through the CBD. License fees would be paid to the CBD, a budget would be established which would include hiring of a part-time program coordinator, and future improvements such as remote mounted decibel meters for each location. Draft Master License document with Port Legal staff.
4. Assess the likely number of program participants and prepare revenue projection. Determine if program will have a shortfall or adequate funds to cover the Program Coordinator position.
5. Work with Planning and Maintenance Departments to design performance locations including sidewalk graphics and informational displays for performance schedules and rules.
6. Develop enforcement strategy and due process for violations of the program guidelines and rules.
7. Research applicable Municipal Codes. Modify Port Code as needed.
8. Add Street Performer license rates to the current Port Commission Rental Rate guidelines.
9. Develop supporting documents and processes such as application forms, lottery, bulletin boards, and website.

CONCLUSION:

Port staff will pursue finalizing the attached draft of the Street Performer Program and complete the above "Next Steps" list. Staff will then return to the Port Commission on September 11, 2007 with a resolution to adopt and implement the Street Performer Program.

Prepared by: Claudia Davison, CPM®, Property Manager
Katharine Arrow, Senior Property Manager
For: Susan Reynolds, Deputy Director, Real Estate

Port of San Francisco

Fisherman's Wharf Street Performer Program

Guidelines and Rules

Draft copy 11/7/06 authored by Claudia Davison, Commercial Property Manager
At the Port of San Francisco with input from Performers @ www.sfstreetmusic.com
Revised 7/12/07, Katharine Arrow

PROGRAM INTRODUCTION

The Port of San Francisco and the Fisherman's Wharf Community Benefit District ("CBD") welcomes Street Musicians and Street Performers to Fisherman's Wharf. Live performances make a positive contribution to the culture and ambience of the Wharf. The Fisherman's Wharf Street Performer Program ("Program") is a pilot program that will be modified or terminated as circumstances indicate. The CBD is responsible for the day-to-day management of the program through a Master License agreement with the Port.

The Fisherman's Wharf Community ("Community") is comprised of many people. They include the merchants, restaurateurs, visitors (14 million per year), local residents, fishermen and fish processors, recreational boaters and swimmers, artists, performers, and local government. The program is designed with the Community's input and support. We look forward to ongoing participation and cooperation among all members of the Community.

The purpose of this Program is to manage the time, place, and manner of use of the designated performance spaces. The following guidelines are set out to ensure fair and equitable access for all skilled performers while not interfering with the safe day-to-day operations of the Wharf. The Port and CBD reserve the right to restrict or schedule Performers and performance locations at any time.

The Program serves Street Performers including musicians, mimes, magicians, human statues, dancers, and other forms of expression and any other activity protected by the First Amendment. It does not include non-permitted merchandise vendors. Nor does it include Street Artists who already have a permit program with the SF Arts Commission. Use of the designated performance spaces is subject to the Program Guidelines and Rules.

The Freedom of Speech provisions of the First Amendment to the Constitution allow public agencies to control only the time, place, and manner of use of the designated performance spaces. Thus, it is not mandatory to obtain a license to express yourself on public property.

The Program works by managing a license and lottery system whose participants voluntarily agree to comply with the Guidelines and Rules. The Program covers Port lands between the western edge of Pier 39 to Hyde Street and from the southern side of the Jefferson Street sidewalk to the Embarcadero.

Licensees are also referred to as Street Performer Card holders. The benefit of participating in the Program is that Street Performer Card holders can schedule their performances at designated locations, perform for longer time periods, use sound amplifiers, and sell performance-based merchandise with one permit or license.

Unlicensed Performers may use designated locations on a first come, first served (FCFS) basis accessing those time slots remaining after the lottery. They may not use an amplifier requiring a gas generator or wet cell batteries, nor can they sell performance-related merchandise without the appropriate permits and are subject to all laws regarding obstruction of public right-of-way. If unlicensed performers use designated performance locations, they are subject to the Street Performer Rules.

Non-exclusive use Licenses are issued by the CBD for Performers. These performers then participate in a monthly lottery for four 3-hour time slots each day at the eight (8) designated Performer Locations. During the first two months of the program, the lottery will be held bi-monthly. This will allow new performers who wish to join the program to be able to participate in the lottery without having to wait up to a month to perform.

Designated Performance Locations ("Locations") are categorized by volume of sound allowed, size of performing group and audience, and sidewalk access for pedestrians. The Performers interested in participating in this Program may do so because they want scheduled and promoted performances, use amplified sound, access to longer performance time, and/or want to sell materials related to their performance. Buffer zones will be established to minimize interference with the performance in the designated location. The Guidelines further define the Program. See Table 1 and Location Map for Locations and Volume information.

Based upon a seven day week, approximately one-third of the time slots will remain unscheduled and available for unlicensed performers. Unscheduled performances are limited to one and one-half (1 ½) hours if another unscheduled performer is waiting to use the Location. Unscheduled performers must yield a Location to a scheduled Street Performer Card holder.

All Performers are subject to the provisions stated in these Guidelines. Schedules and Guidelines will be posted at each Location, on the Port's website, and on the CBD's website. The schedule will be distributed to SFPD officers, Port security personnel, the Performers, and the CBD Street Performer program administrator. A joint effort by all these parties will be developed to ensure fair enforcement of the Program.

This Program encourages all performers. Street Musicians and Street Performers ("Performers") are not required to undergo a formal review to perform at the Wharf. However, their performance should make a favorable impression upon visitors to San Francisco and Fisherman's Wharf. Please exprcss your viewpoint on this draft program by e-mailing Katharine Arrow, Senior Property Manager for the Port of San Francisco at Katharinc.arrow@sfport.com.

GUIDELINES FOR STREET PERFORMERS

Licensed Performer's Responsibilities
Performers are required to follow the Guidelines and Rules and remain within designated Performance Locations. Performers should familiarize themselves with the Guidelines before performing at the Wharf. The Guidelines are attached here and are also available at www.sfport.com/streetperformers and www.visitfishermanswharf.com. The message boards at the Performance Locations will post a summary of the Guidelines.

Group Definition
This Program is designed for individuals and groups no larger than five (5) adults. The minimum age is 18 years old.

Street Performer Licenses
Applications are available on line at www.sfport.com/streetperformers/application and www.visitfishermanswharf.com. Complete applications are due two weeks prior to the start of the new calendar quarter or license term, whichever is applicable (January, April, July, and October). Licensees will receive a Street Performer Card showing that they are participants in the Program. See attached application and checklist.

Individuals who do not have a Street Performer Card may perform during the available unscheduled time slots but will be required to observe the law and the Street Performer Program Guidelines and Rules.

License Fees
A Street Performer License is $600 a year or $350 per half-year (January 1 through June 30, and July 1 through December 31) and $250 per quarter year (Jan-Mar, April-June, July-Sept, Oct-Dec). Each performer or group is entitled to only one License for the specified time. Licenses may not be sold or transferred. The sale or transfer of a license will be cause for the immediate cancellation of that license.

License Benefits
A Street Performer Card grants Performers scheduled, publicized, longer performance times at approved locations, sound amplification, and allows Performers to sell related materials such as CDs.

Street Performer Card
Licensees will be issued a Street Performer Card which must be worn conspicuously by Performers during their scheduled performance.

Posted Schedule
The scheduled performances are posted on the Port and the CBD websites as well as at each Performance Location. Performers can create a link to their websites so that visitors will know when and where they are performing. Street Performer Card holders in good standing (current with license requirements such as fees and insurance, no violations) with the Port and CBD may be given scheduling priority for applicable neighborhood-wide special events.

Amplified Sound
This license replaces the Loudspeaker Permit requirement through the SF Entertainment Commission. Amplifiers, as opposed to 'boom boxes', may be used by Licensees within designated volume performance locations only. (See description of VL3 locations below)

Sales
To sell recordings of their music or other directly related products, a Performer must hold a current Street Performer Card, San Francisco Business License, and a State Board of Equalization Seller's Permit. The Street Performer Card will identify the qualified performer using easily distinguishable

markings to assist enforcing officers and security personnel. This permit replaces the SF Police Department Peddler Permit.

Insurance
Licensees (Street Performer Card holders) will be required to carry Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including coverage for Personal Injury, Broadform Property Damage[1]. All policies must list the City and County of San Francisco, the San Francisco Port Commission and their respective their officers, directors, agents and employees and the CBD as Additional Insureds. See attached sample certificate of insurance (pending).

Hours
Performances are scheduled at each Location for four (4) three-hour performance slots every day from 10 a.m. to 1 p.m.,1 p.m. to 4 p.m., 4 p.m. to 7 p.m. and 7 p.m. to 10 p.m. Common Street Performer practice calls for the first act to cease performing soon enough to clear the space for set-up by the following act by the designated start time if the next performer has arrived. Performers may continue performing until the following performer arrives and must vacate the Location within 10 minutes. This rule applies to all performers.

No performances are allowed before 10 a.m. or after 10:00 p.m.

Volume Limitations and Methodology for Measuring Sound
The maximum sound limit is 20dB above ambient noise. However, regardless of ambient noise levels, no amplification in excess of 90 dB will be permitted.

Sound is measured by decibels (dB). All Locations have a baseline ambient sound level reading, which is the average level of street noise without the Performers. Ambient sound levels will spike as a large truck or motorcycle passes by. Baseline ambient readings will be made when spiking influences are not present.

Proximity to the sound source has a large bearing on the outcome of the measurement of decibels. Initial readings will be taken four feet from the source of sound, most often the instrument or amplifier (see S.F. Police Code Article 29, Regulation of Noise.) Based on the Location sound criteria (see levels VL1, VL2, and VL3 described below), volume may not exceed the average excess dB level.

In many cases the appropriate volume will be lower. Performers recognize that it is in everyone's best interest to keep the volume at a level that does not interfere with visitors or businesses. If the SFPD, Port Staff, and/or CBD determine that the performance to be too loud, disruptive, or in any way unsafe; the Performer will be required to lower the volume or cease their performance.

Lottery
The Port and/or the CBD or its representative will conduct a monthly lottery to schedule the performances. The lottery will be held at 9 a.m. on the third Tuesday of each month at Pier 1 for Performers with current Street Performer Cards for the following month. If the third Tuesday falls on a major holiday, the lottery will be scheduled for the second Tuesday of the month. The first two months of the lottery will be held twice a month on the first and third Tuesday until four rounds of lotteries have been held. Then the monthly lottery schedule will go into effect.

All Locations will be scheduled concurrently. Street Performer Card holders may be represented by proxy, as authorized in writing by the Performer. During the lottery, slots may be traded between Street

[1] Some performers have succeeded in getting this insurance at an annual rate averaging $190-$270 from Clowns USA. The Port and CBD do not endorse this coverage. This information is provided for reference only.

Performer Card holders, or an authorized proxy to accommodate their schedules. Once the lottery is closed, no adjustments will be made to the schedule. The websites will reflect the schedule created by the lottery. It will not be updated to reflect any post-lottery schedule changes. Please notify the CBD by phone or e-mail of any post-lottery changes prior to the performance time.

The very first lottery will begin with a drawing of all participants' names to determine lottery rotation order. Once the list is established, the first person will select one time slot appropriate to their size and volume and the choice will then pass to the next person on the list. Each lottery will be adjusted so that the person who had their name at the top of the list will then be moved to the bottom of the list. This will allow for a fair rotation. Participants joining the Program after the first lottery will have their names added to the bottom of the list.

As each Location reaches the allowed scheduled capacity, the remaining time slots for unscheduled performers will be blocked out for access by unlicensed performers. For example, Location #1 allows scheduled licensed performances up to 75% of the available time slots. Once 75% is booked (21 out of 28 slots), the remaining slots will be marked as available on a first-come first-served (FCFS) space for unlicensed performers.

The schedule will be posted on a message board at the designated locations, on the Port's website, www.sfport.com and on the CBD's website at www.visitfishermanswharf.com.

Locations and Volume Levels

Licensed Performances may take place only in the areas designated on the Location Map. Each Location will be identified by signage and will be marked on the sidewalk. Performers must contain their use to the marked area. Buffer zones will be established to minimize interference with the performance in the designated Location. Locations may be added, removed, or altered as deemed necessary by the Port and/or the CBD based on input from the Community. See Table 1. The success and appropriateness of each site will be re-evaluated in the Spring of 2008 to see if Locations should be added or removed.

Locations are determined by noise level and size of performing group appropriate to the area. Each location is considered on its ability to accommodate performers, audience, and passers-by. The sidewalks must remain accessible for pedestrians and in compliance with all disability access laws. Passers-by must not be forced into the roadway in order to safely pass the performers and audience.

Performers are expected to work cooperatively with the Community to ensure that each Performer gets a fair chance to perform in the various locations appropriate to their type of performance.

'Volume Level One' ("VL1") is for Performance Locations with no sound amplification and is deemed appropriate for quiet performers such as mimes, storytellers, magicians, human statues (no music), acrobats, jugglers, clowns, etc.

'Volume Level Two' ("VL2") is for Performance Locations with no or low sound amplification (using dry cell batteries), but which generate some sound volume that may negatively impact the community if performed in a VL1 site. These are good sites for storytellers, puppeteers, human statues with quiet background music, and musical performers. Generally accepted volumes of no more than an average 10 decibels over ambient noise are appropriate.

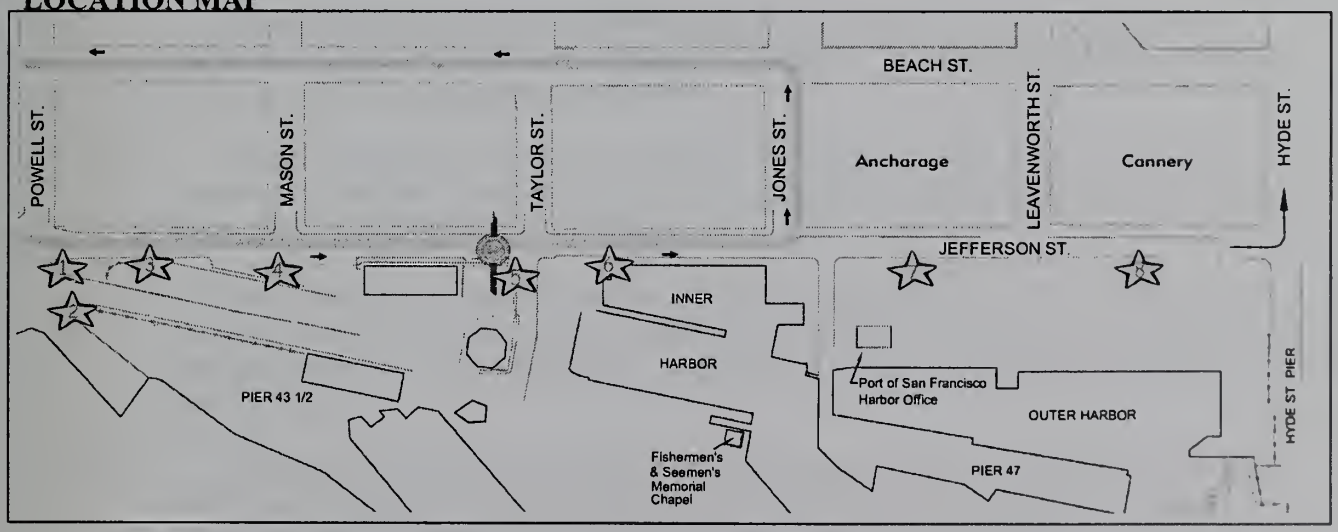
'Volume Level Three' ("VL3") is for Performance Locations with sound amplification. These are good sites for individuals and/or groups with higher volume. Generally accepted volumes of no more than an average 20 decibels over ambient noise are appropriate.

Each location is rated on a scale of One to Three. A quiet Performer can work in a 'VL1', 'VL2' and 'VL3' location. This means that Locations accommodating the loudest and largest "VL3 " users (#1 and #4) are available to all performers.

TABLE 1- Locations and Volume Levels

Location- See map on next page	Permitted Volume Level	Maximum Number of Performers	% Available to Licensed Performers	% Available to Unlicensed Performers
#1- East end of Triangle Parking Lot, at Little Embarcadero and Powell St.	1-2-3	5	75%	25%
#2- NE corner of the Embarcadero at Pier 43 ½	1-2	5	50%	50%
#3- East of DeCaux bathrooms facing benches	1-2	5	50%	50%
#4- N side of Jefferson, across from Mason Street	1-2-3	5	75%	25%
#5- NE corner of Jefferson at Taylor	1-2	2	75%	25%
#6- Covered area west of Tarantino's	1-2	2	50%	50%
#7- Jefferson, open area north of Anchorage/Courtyard	1	1	75%	25%
#8- Lot across from the Cannery, by office and driveway	1	5	75%	25%

LOCATION MAP



STREET PERFORMER RULES

1. All elements of the above stated Guidelines are incorporated into these Rules.

2. Entertainment should be appropriate for an audience of all age groups and walks of life in a public setting and in accordance with local laws. Human speech, action, or music shall not be profane, lewd, indecent, or slanderous.

3. The SFPD, Port and/or CBD security patrols will monitor that Street Performer Card holders have possession of their scheduled location at the commencement of their scheduled time.

4. Unscheduled locations and times are available to performers appropriate to each site on a no-fee first-come, first served (FCFS) basis.

5. Time slots marked available as FCFS may be used by Licensed Performers (Street Performer Card holders) if no other performer is waiting. They must follow the allotted time limit of 1 ½ hours if another performer is waiting to perform during the second portion of the performance time slot. Alternatively, Licensed Performers may also take the second portion of the time slot if no other performer is waiting.

6. Under no circumstances may a time slot be 'sold' or 'rented' or transferred or traded to any other licensed or unlicensed performer. Violation of this rule is subject to immediate termination of the License.

7. A performance in any Location must not exceed the time designated on the Posted Schedule of Street Performances at Fisherman's Wharf unless previously approved by the Port, CBD, or their designated representative.

8. No performer shall use any knife, sword, torch, flame, axe, saw, or other object in a manner that can cause serious bodily injury to any person, or engage in any activity that can cause serious bodily injury to any person.

9. No performer shall use any generator, wet cell battery with removable fill caps, or any other power source that poses a fire or public safety hazard without proof of insurance. No performer shall connect or maintain an electrical cord to an adjacent building or to a City power source.

10. Performers are directly responsible for controlling their audience and performance area. This means keeping the sidewalk clear for pedestrians, keeping the audience out of the street, and properly disposing of any waste or debris after the performance.

11. There shall be no charge for performances and money given for the performance shall be on a donation only basis. Performers may not charge a set fee for their services or use overt measures to solicit donations. If in the judgment of the Port, the CBD, its representatives, or the SFPD, a performer appears to be soliciting rather than collecting on a donation basis, the performers will be required to post a sign saying, "Donations Welcome". "Passing the Hat" or equivalent effort is not permitted.

12. Performers may sell recordings or material relating to their performances only if they have and carry proof of a current California Board of Equalization Seller's Permit, a San Francisco Business License, and a Port of San Francisco/CBD Street Performer Card.

13. The Guidelines for Street Performers and the Monthly Performance Schedule will be posted on a message board at each performance location and on the Port's web site, www.sfport.com/streetperformers and the CBD website www.visitfishermanswharf.com. Performers are expected to check it on a regular basis for changes in rules, information on scheduled events, and announcements about the Program.

14. Wearing a counterfeit or out-of-date Street Performer Card will be cause for immediate removal from the Performance Location and may result in the denial of a future Street Performer license application

15. A total of three (3) reprimands or citations for failure to comply with any of the Guidelines and Rules for Street Performers upon Port/CBD confirmation of the infraction(s) may be cause for revocation of the Street Performer License for the remainder of its term. No pro-rata refund will be made for the remaining term of the License. Three subsequent reprimands or citations will result in removal from the Program for a one year period. Revocation of the Street Performer license may be appealed pursuant to rules and procedures to be developed by the Port Commission.

16. Performers must comply with all municipal laws. Violators are subject to removal from Port property and/or citation from the San Francisco Police Department.

17. The Port and CBD reserve the right to take and publish photographs which include the images of street performers.

(APPLICATION WILL BE ATTACHED SEPARATELY)

PORT OF SAN FRANCISCO

MEMORANDUM

July 11, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Adoption of the 2007 Port Building Code

DIRECTOR'S RECOMMENDATION: Adopt the 2007 Port Building Code and authorize staff to submit the 2007 Port Building Code to the Building Standards Commission

Introduction

Since the State of California transferred the Port property to the City and County of San Francisco in 1969, the Port Engineering division has been serving as the building permitting authority for all construction projects occurring within the area of Port jurisdiction. Through the Building Permit group and the Chief Harbor Engineer, Port Engineering personnel check construction plans for code compliance, and issue building permits, certificates of occupancy, notices of violation and correction notices, and perform inspections and ensure code compliance. The Port has followed the San Francisco Building Code as the general guideline and standard for the Port's regulatory operations, processes and technical requirements. The San Francisco Building Code, however, lacks administrative procedures, submittal requirements, appeal processes and special design conditions and considerations that appropriately reflect the Port's organizational structure, maritime facilities and operations.

In order to codify the Port's permit processes and requirements, staff have developed the necessary Port building codes, entitled the 2007 Port Building Code. The 2007 Port Building Code includes several Port codes: the Port's Building Code, Electrical Code, Mechanical Code, Plumbing Code and Port Code Procedures. The adoption of the 2007 Port Building Code will document and reaffirm the Port's independent authority to enforce construction standards specific to the Port's geographical, climatic or topographic conditions.

THIS PRINT COVERS CALENDAR ITEM NO. 11A

Background

The Port of San Francisco derives its authority to regulate and permit building construction or improvements within its jurisdiction from the Burton Act (Chapter 1333 of the Statutes of 1968) and from relevant sections of the Agreement Relating to Transfer of the Port of San Francisco from the State of California to the City and County of San Francisco (the "Transfer Agreement"). In Port Commission Resolution 03-72, the Port Commission directed staff to draft a Port Building Code for the Port Commission's consideration and adoption. In the interim, the Port Engineering staff were directed to apply the standards of the San Francisco Building Code, with the exception of the Earthquake Hazard Reduction Program for Unreinforced Masonry Bearing Wall Buildings. The resolution also directed staff to incorporate the Port's Seismic Mitigation Program into the Port Building Code.

To develop a Port Building Code, staff formed a Building Code Committee to review the Port's permitting process and document the Port's procedures concerning receiving, issuing, inspecting, checking and appealing building permits. The Code Committee is comprised of staff engineers representing civil, structural, electrical, architectural and ADA disciplines, 2 representatives from the San Francisco Department of Building Inspection and representatives from the City Attorney's office. The Code Committee has been meeting and working on this code development project since November 2003 and has now completed the drafting of the proposed 2007 Port Building Code.

Without the benefit of a Port Building Code, the Port must rely upon the San Francisco Building Code in performing its functions as a regulatory agency, which can be disadvantageous when dealing with maritime conditions unique to the waterfront climate or Port properties, or when seeking emergency relief funds.

The 2007 Port Building Code is very similar to the San Francisco Building Code in that it actually consists of several codes. Both codes use the 13 building-related codes contained in the California Building Standards Code as the base code and both codes then amend this base code to incorporate local geology, climatic and topographic requirements, including building standards related to fire and panic safety, to suit local conditions. The Port Building Code, once adopted, would stand separate and independent from the San Francisco Building Code. The Port desires a separate building code that is independent from the San Francisco Building Code in order to provide administrative procedures that reflect the Port's organizational structure and operations, and to clarify the Port's unique environmental conditions.

The California Building Standards Code contains administrative and technical provisions that are generally required in any local building code; however, these administrative sections do not specifically address the procedures followed by local jurisdictions such as the Port. The 2007 Port Building Code specifically addresses and codifies the Port's procedures for permit processing, appeals, the role of the Chief Harbor Engineer, procedures for code enforcement, procedures relating to unsafe buildings, the recordation of any actions that grant approval of modifications or alternate materials or designs, the use of a specific fee schedule and the fundamental regulations necessary to control life safety issues exclusive to the Port's current varied use of buildings and structures originally constructed for shipping and bulk storage.

Port Engineering staff also process encroachment permits for work within the public right of way in the Port's jurisdiction. Construction occurring in a public right of way is regulated by the public works code, not the building code. Port staff responsible for reviewing and inspecting encroachment permits currently use the standards of the City and County of San Francisco Public Works Code. This process lacks administrative procedures similar to those discussed above for the building code. In order to appropriately document the Port's permit processes and requirements for encroachment permits, the Port also intends to propose the adoption of a Port Public Works Code. Engineering staff recently established a Public Works Code Committee and is in the process of reviewing the Port's procedures concerning receiving, issuing, inspecting, checking and appealing encroachment permits. The development of a Port Public Works Code will be a significant task to accomplish. In the interim, staff will seek authorization from the Port Commission to continue to use the standards of the City and County of San Francisco Public Works Code as the basis to regulate encroachment work in the public right of way.

Funding

In reviewing the State's requirements for local building department code adoption, staff have determined that the 2007 Port Building Code does not need to be published by an outside publisher. Staff plan to maintain an updated copy of the Port Building Code on the Port's internet web page and to make copies available to the public at the Engineering Building Permit Counter. Therefore there are no funding requirements for publishing the code.

Schedule

In compliance with state and local notification requirements, on May 15, 2007, the Port posted the draft 2007 Port Building Code for public review and comment on the Port's web page and at the Engineering Building Permit Counter. Staff provided directions on how to submit comments or questions. Staff also provided a public informational presentation before the Port Commission at the June 12, 2007 Commission meeting and published a six weeks notification of the Port's intent to adopt a Building Code in the San Francisco Examiner, a local newspaper, under the public information section. The dead line for public comment was 5:00 P.M., Tuesday, June 26, 2007. During this review period, several members of the public reviewed the code and had no comments.

Staff plan to immediately file the 2007 Port Building Code with the California Building Standards Commission after the Port Commission takes action to adopt the code. The 2007 Port Building Code will become effective 30 days after filing with the state Building Standards Commission.

The Port Building Code provides for the creation of the Port Building Code Review Board that will be responsible for conducting appeal hearings on interpretations and determinations made by the Chief Harbor Engineer pertaining to the Port Building Code. The members of the administrative body and will be selected by the Port Executive Director and approved by the Port Commission.

On January 30, 2007, the California Building Standards Commission concluded hearings on the adoption of the model codes with state amendments for the basis of the 2007 California Building Standards Code. At this time, the publishing of the 2007 California Building Standards Code is

underway with an expected publication date in or about July 2007. Upon publication, local jurisdictions will then have 180 days to adopt local amendments to this California Building Standards Code before it becomes effective. Given this upcoming change in the California Building Standards Code, Port staff will begin reviewing local amendments proposed by the City's Department of Building Inspection and will draft Port specific amendments to this new model code. In January, 2008 the Port will adopt a new 2008 Port Building Code using the 2007 California Building Standards Code as the base code.

Summary

Staff request that the Port Commission adopt the 2007 Port Building Code. The Port Building Code includes amendments that "differ," "vary," are "reasonably necessary," or are "more restrictive" than the standards of the California Building Standards Code based on life safety considerations, and local climatic, geographical or topographical conditions. The 2007 Port Building Code also provides administrative and technical provisions for uniform regulations that apply to the Port's specific needs.

Port staff are currently using the City's Public Works code as the basis for determinations relating to encroachment issues, specifically construction occurring in the public right of way. Staff also seek Port Commission authorization to continue to use the substantive provisions of the City and County of San Francisco's Public Works Code as the basis to regulate and permit activities (such as excavation and construction) occurring in the Port's rights-of-way until a Port Public Works Code is reviewed and adopted by the Port Commission.

Prepared By: John Aires
Senior Building Inspector

For: Edward F. Byrne
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-55

WHEREAS, the Port of San Francisco derives its authority to regulate and permit building construction or improvements within its jurisdiction from the Burton Act (Chapter 1333 of the Statutes of 1968) and from relevant sections of the Agreement Relating to Transfer of the Port of San Francisco from the State of California to the City and County of San Francisco; and

WHEREAS, the Port Commission has established its own building department with the responsibility for enforcement, administration, and interpretation of building standards on Port property; and

WHEREAS, the Port building department is considered a local building department under the State of California;

WHEREAS, through Resolution 03-72, the Port Commission directed staff to draft a Port Building Code that includes the Port's Unreinforced Masonry Bearing Wall Seismic Mitigation Program, for consideration and adoption by the Port Commission; and

WHEREAS, Port staff have developed the 2007 Port Building Code based upon the 2001 California Building Code (CBC) with modifications to the CBC to account for the Port's building permitting administrative procedures and the Port's unique local geology, climatic and topographic conditions, including fire and panic safety considerations; and

WHEREAS, the 2007 Port Building Code includes the Port's Unreinforced Masonry Bearing Wall Seismic Mitigation Program; and

WHEREAS, the 2007 Port Building Code has been made available for pubic review and comment for six weeks and staff have received no adverse comments; and

WHEREAS, Port staff have completed their review and drafting of the 2007 Port Building Code, have elicited public comment on the Code, and recommend that the Port Commission adopt the 2007 Port Building Code; now therefore be it

RESOLVED, that this Port Commission hereby adopts the 2007 Port Building Code, which adopts and amends the 2001 California Building Code, the 2001 California Mechanical Code, the 2001 California Plumbing Code, and the 2004 California Electrical Code with Port Code administrative procedures, and the Port Commission further directs staff to file such 2007 Port Building Code together with amendments with the California Building Standards Commission for review and approval; and, be it further

RESOLVED, that this Port Commission directs the Executive Director to select and nominate members for the Port Building Code Review Board for later consideration and approval by the Port Commission; and, be it further

RESOLVED, that this Port Commission directs staff to draft a 2008 Port Building Code based upon the 2007 California Standards Code for Port Commission consideration and adoption in early 2008; and be it further

RESOLVED, that this Port Commission directs Port staff to continue to apply the standards of the City and County of San Francisco Public Works Code as the basis to regulate all encroachment work until such time as the staff presents to the Port Commission a Port Public Works Code.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of July 17, 2007.

_____

Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

July 11, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney A. Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director M. Moyer

SUBJECT: Request Authorization to Award Construction Contract 2712, Pier 35 Improvements Project to D.F.P.F. Corporation dba Fine Line Construction in the Amount of $1,407,496

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO AWARD CONTRACT

Introduction

Port staff request that the Port Commission authorize the award of construction Contract 2712, Pier 35 Improvements Project to D.F.P.F. Corporation dba "Fine Line" Construction, the lowest responsive, responsible bidder. The project scope includes structural repairs to the façade, upgrades to the existing interior restrooms, guardrail upgrades, and construction of a staff conference room. Two additive alternates to the project base bid are included in the scope of work for replacement of the cornice and arch voussoirs (architectural elements) along the façade.

Background

The Port Commission, at its meeting on May 8, 2007 authorized Port staff to advertise for bids for the Pier 35 Improvements Project (Port Commission Resolution 07-33).

The Human Rights Commission staff established subcontracting goals of 20% for Local Business Enterprises (DBE) for the project. On June 28, 2007, Port staff received two bids for this project. Port Engineering and HRC staff reviewed the bids and determined that the D.F.P.F. Corporation dba Fine Line Construction is the lowest responsive, responsible bidder for the base bid, and for the base bid including any number of alternates. A summary of the bids is attached. Engineering staff have also verified that D.F.P.F. Corporation dba Fine Line's contractor license and experience satisfy the bid requirements.

The base bid for this project includes structural repairs to the façade, upgrades to the facility's existing interior restrooms, guardrail upgrades, and construction of a staff conference room. Port

THIS PRINT COVERS CALENDAR ITEM NO. 11B

staff developed the project bid package with the flexibility of adding two alternate bid items to increase the scope of work to include replacement of the cornice and arch voussoirs with GFRC (glass fiber reinforced concrete) and stay within the available budgeted amount.

The project construction schedule will be established around the cruise ship schedule and cruise terminal operator's needs which require construction cessation before and after vessel berthing, for set up and break-down of fixtures, for ship operations, and for a security sweep of the Pier in advance of the vessel arrival.

Funding

The current available funding allocation shown below allows the Port to award to D.F.P.F. Corporation dba Fine Line Construction, the base bid plus Alternates A1 and A2 for the amount of $1,407,796 plus a 10% contingency of $140,750, for a total of $1,548,246. All funding sources are currently available except for CPO 680 which will be available in the 2007-2008 fiscal year.

Funding Source	**Funding**
CPO 741 – Pier Repair Fund	$ 492,219
CPO 757 – Building Superstructure Repair Fund	$ 591,000
CPO 750 – Pier 35 Repairs and Improvements	$ 18,292
CPO 767 – Pier 35 Life Safety & Other Improvements	$ 90,630
CPO 680 – Port ADA Transition Fund (FY 07-08)	$ 356,105
Total	**$1,548,246**

Schedule

The project is scheduled to start in August 2007 and substantial completion is expected by April 2008. The following is the anticipated project schedule:

Commission Authorization to Award	July 17, 2007
Issuance of Notice to Proceed	August 2007
Construction Substantial Completion	March 2008
Final Completion	April 2008

Summary

Port staff recommends that the Port Commission authorize the award of the base bid together with alternate bid items A1 and A2 of construction Contract No. 2712, Pier 35 Improvements Project, to D.F.P.F. Corporation dba Fine Line Construction, the lowest responsive, responsible bidder, in an amount of $1,407,496, and further authorize staff to increase the contract amount, if needed for additional contingencies, by an additional $140,750 (10% of $1,407,496) through contract modification or change order for a total of $1,548,246. Port staff also recommend that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Winnie Lee, Project Engineer
and Wendy Proctor, Project Architect

For: Edward F. Byrne
Chief Harbor Engineer

PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-56

WHEREAS, the Port Commission previously authorized the advertisement of the construction contract for Pier 35 Improvements Project, Contract No. 2712 (Port Commission Resolution 07-33), at its meeting on May 8, 2007; and

WHEREAS, Port staff received two bids on June 28, 2007; and

WHEREAS, Port Engineering staff and the Human Rights Commission staff reviewed the bids and have determined that D.F.P.F. Corporation dba Fine Line Construction is the lowest responsive, responsible bidder; therefore be it,

RESOLVED, that the Port Commission hereby authorizes Port staff to award the construction contract, Pier 35 Improvements Project, Contract No. 2712 to D.F.P.F. Corporation dba Fine Line Construction, the lowest responsive, responsible bidder, for the base bid amount plus alternate bid items A1 and A2 in an amount of $1,407,496 and be it further,

RESOLVED, that the Port Commission authorizes Port staff to increase the contract amount, if needed for unanticipated contingencies, by an additional $140,750 (10% of $1,407,496) through contract modification or change order for a total of $1,548,246; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of July 17, 2007.

_____

Secretary

BID SUMMARY
PORT OF SAN FRANCISCO

Project: PIER 35 IMPROVEMENTS PROJECT
Contract No.: 2712

Prepared By: Wendy Proctor
Checked By: Winnie Lee
Date: 6/28/2007

			Bidders				
		name	D.F.P.F. Corporation dba Fine Line Construction		CLW Builders, Inc.		
		address	2200 Jerrold Ave., Suite E		1329A Noriega Street		
		address	San Francisco, CA 94124		San Francisco, CA 94122		
		phone	415-641-3050		415-566-6978		
Bid Item No.	Description	Quantity	Unit Price (LS, LF, or EA)	Total	Unit Price (LS, LF, or EA)	Total	
1	Demolition	LS	67847.1	$67,847.10	52000	$52,000	
2	Lead Abatement	LS	20042.36	$20,042.36	26000	$26,000	
3	Asbestos Abatement	LS	25708.16	$25,708.16	29900	$29,900	
4	Shoring of Facade	LS	226929.56	$226,929.56	205400	$205,400	
5	All other Façade renovation work exclusive of Bid Item #4	LS	100651.48	$100,651.48	750000	$750,000	
5a	Stucco removal and replacement with new stucco related to Façade and voussoir investigation. Exclusive of Bid Item #5 (SF)	350	178.55	**$62,492.50**	57.14	**$19,999**	see note 1
							see note 1
5b	Reattachment of existing stucco and patching of screw holes related to Façade and voussoir investigation. Exclusive of Bid Item #5 (SF)	1000	16.43	**$16,430.00**	80	$80,000	
							see note 1
5c	Sheathing repair related to Façade and voussoir investigation exclusive of Bid Item #5. (SF)	200	33.41	**$6,682.00**	85	$17,000	
							see note 1
5d	Dry-rotted wood framing repair related to Façade and voussoir investigation exclusive of bid item #5. (LF)	90	206.77	$18,609.30	100	$9,000	
5e	Drilling exploratory holes during facade and voussoir investigation. Exclusive of Bid Item #5. (EA)	200	33.41	**$6,682.00**	200	$40,000	
							see note 1
5f	Replacing voussoirs. Exclusive of Bid Item #5. (EA)	38	925.83	$35,181.54	3947.37	$150,000	
6	Electrical Equipment Relocation and Reinstall per Façade Repair	LS	25785.68	$25,785.68	39000	$39,000	
7	Plumbing Work for Restroom Upgrade	LS	116902.46	$116,902.46	123500	$123,500	
8	HVAC Work for Restroom Upgrade	LS	23553.56	$23,553.56	19000	$19,000	
9	Electrical Work and Fire Alarm Work for Restroom Upgrade	LS	33311.96	$33,311.96	26000	$26,000	
10	Fire Protection for Restroom Upgrade	LS	46581.56	$46,581.56	26000	$26,000	
11	All other restroom renovation work exclusive of Bid Item #7, 8, 9, and 10.	LS	108616.36	$108,616.36	101400	$101,400	
12	Railing Retrofit	714	24.33	$17,371.62	65.55	**$46,803**	see note 1
13	Electrical Work for Conference Room	LS	15961.16	$15,961.16	19500	$19,500	
14	HVAC Work for Conference Room	LS	15801.56	$15,801.56	10400	$10,400	
15	Fire Protection for Conference Room	LS	46581.56	$46,581.56	6500	$6,500	
16	All other conference room renovation work exclusive of Bid Item #13, 14, and 15.	LS	73759.16	$73,759.16	58500	$58,500	
17	Trucking	LS	9503.06	$9,503.06	13000	$13,000	
18	Mobilization and Demobilization	LS	45000	$45,000.00	45000	$45,000	
19	Allowance - SFPD	LS	16000	$16,000.00	16000	$16,000	
	Total Bid Price (summation of items 1 thru 19)			**$1,181,985.70**		**$1,929,902**	
A2	GFRC voussoirs (EA)	38	4078.95	$155,000.10	1631.58	$62,000	
A1	GFRC cornice	LS	70510	$70,510.00	298000	$298,000	

Total Base	$1,181,985.70	$1,929,902
Total Alternate	$225,510.10	$360,000
Total Bid	$1,407,495.80	$2,289,902
Priority of Alternates		
Total Base + A2	$1,336,985.80	$1,991,902
Total Base + A1	$1,252,495.70	$2,227,902
Total Base + A1 + A2	**$1,407,495.80**	**$2,289,902**

Budget Announced $1,500,000

Note 1 - Mathematical errors in submitted bids. These errors did not change the final outcome. D.F P F. Corporation dba Fine Line Construction is still the lowest responsible and responsive bidder.
Note 2 - Alternates are listed in the order of descending priority

PORT OF SAN FRANCISCO

MEMORANDUM

July 11, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney A. Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Request authorization to execute contract modification to the Pier 33 Roofing and Related Structural Repair Project, Contract No. 2710, with Best Contracting Services, Inc. to include additional bid alternates by increasing the contract amount by $1,064,915 to a total contract amount of $2,716,055 and extending the contract time duration by an additional 60 days.

DIRECTOR'S RECOMMENDATION: APPROVE THE ATTACHED RESOLUTION

Introduction

Port staff request that the Port Commission authorize a contract modification for construction Contract No. 2710, Pier 33 Roofing and Related Structural Repair Project, with Best Contracting Services, Inc., to increase the contract amount and duration by awarding alternate bid items A4, A5, A6, A7 and A8. By including these alternate bid items, the proposed modification will provide for completion of the scope of work for the Pier 33 shed structure.

Background

The Port Commission, at its meeting on May 8, 2007, authorized Port staff to award the construction contract for the Pier 33 Roofing and Related Structural Repair Project to the lowest responsive and responsible bidder, Best Contracting Services, Inc. This award authorization was for the base bid plus Alternates A1, A9, A2 and A3 for the amount of $1,651,140, plus a 10% contingency of $165,114, for a total of $1,816,254 (Port Commission Resolution 07-31).

As awarded under the current budget, the contract scope of work includes repair of the dry rot wood decking and structural framing, repair and refurbishing of the rooftop light monitors, window replacement, hazardous material abatement, roof access ladders and re-roofing for approximately 68% of the pier shed.

This Print Covers Calendar Item No. 11C

Due to the age and the deteriorated condition of the existing shed roof structure, it would be most efficient to complete 100% of the roof repairs provided in the total project scope of work. As awarded, and due to funding constraints, the current contract leaves 32% of the same project scope to be completed at a later time. However, additional funds have been made available in FY 2007-08 by partially de-funding the Pier 48 Improvement Project (CPO 747). The amount de-funded represents the funds allocated to re-roof a portion of Pier 48. Port staff recommend repairing the entire Pier 33 roof as a priority over the repair of the Pier 48 roof since the Pier 33 roof has been leaking for a considerable time, causing extensive dry rot deterioration in the roof's structural framing members. Repairing the remaining 32% of the Pier 33 shed roof will prevent further damage by replacing damaged structural elements not currently in the contract award. Pier 48 is considered a lower priority since Port maintenance has made repairs to the roof and replaced leaking rain water leaders, mitigating the immediate need until funds can be appropriated at a later time.

Figure 1 attached illustrates the work currently awarded and proposed work to award through this contract modification to complete 100% of the scope of work. The initial bid included alternates to be able to increase the scope by awarding additional square footage for roofing and repair and awarding alternates to replace windows in lieu of repair.

Port staff also request authorization to extend the contract duration by an additional 60 days to compensate for the additional scope of work and to accommodate the unanticipated long lead time required for fabricating new replacement windows for the roof top light monitors. During the pre-construction meeting, Best Contracting Services, Inc indicated that a lead time of 16 weeks to fabricate and install the windows is required which is longer than was anticipated in the design phase. Additional windows in additive alternate bid items A5 and A7 cannot be ordered until the contract modification is awarded.

Funding

The funding available in FY 2006-07 was not adequate to fund the scope of work for the entire shed. The bid was structured with additive alternate bids to allow the Port to award the maximum amount of work within the available funds. The Port awarded the base bid plus Alternates A1, A9, A2 and A3 for the amount of $1,651,140, plus a 10% contingency of $165,114, for a total of $1,816,254 to complete the scope of work for approximately 68% of the shed.

The previously identified funding allocation is shown in the table below:

Funding Source	Title	Amount
CPO 759	Roof Repair Fund	$1,600,000
CPO 741	Pier Repair Fund	$ 216,254
		$1,816,254

Funding required to complete the entire scope of work is as follows:

Total bid amount to repair the entire shed	$2,716,055
Plus 10 % contingency	$ 271,605
Total required funding	$2,987,660

The remaining funding needed for this project is $1,171,406 ($2,987,660 minus $1,816,254).

As described earlier in the report, additional funds have been made available in FY 2007-08 by partially de-funding the Pier 48 Improvement Project. These funds, combined with previously appropriated funds from CPO 759, are sufficient to complete the entire project. Therefore, Pier Repair fund (CPO 741) is no longer needed as a funding source for this project.

The proposed revised funding allocation is shown in the table below:

FY	Funding Source	Title	Amount
2006-07	CPO 759	Roof Repair Fund	$1,600,000
2007-08	CPO 759	Roof Repair Fund	$1,387,660
Total			$2,987,660

Schedule

The project is currently in progress pursuant to the prior contract award. Final completion was anticipated for December 14, 2007. For the reasons stated earlier in this staff report, the following is the revised proposed schedule for this project with an additional 60 days for contract completion:

Commission to Award	May 8, 2007
Notice to Proceed Issued	July 16, 2007
Construction Substantial Completion	January 14, 2008
Final Completion	February 12, 2008

Summary

Port staff recommend that the Port Commission authorize a contract modification to the Pier 33 Roofing and Related Structural Repair Project, Contract No. 2710, with Best Contracting Services, Inc. to include bid alternates A4, A5, A6, A7 and A8 by increasing the contract bid amount by $1,064,915 to a total of $2,716,055 and extending the contract duration by an additional 60 days. Port staff also request authorization to increase the total contract amount, if needed for unanticipated contingencies, by an additional $271,605 (10% of $2,716,055) through contract modification or change order. Port staff recommend that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Wendy Proctor
Project Architect
For: Edward F. Byrne
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-57

WHEREAS, on May 8, 2007, the Port Commission previously authorized the award of the construction contract, Pier 33 Roofing and Related Structural Repair Project, Contract No. 2710, to the lowest responsive and responsible bidder, Best Contracting Services, Inc. (Port Commission Resolution 07-31); and

WHEREAS, this contract award encompassed the base bid plus Alternates A1, A9, A2 and A3 for the amount of $1,651,140, plus authorization for $165,114 (10% contingency of $1,651,140), for a total authorization of $1,816,254; and

WHEREAS, based on the total bid amount by Best Contracting Services, Inc. and the deteriorated structural condition of the Pier 33 shed roof structure, it would be most efficient to complete 100% of the scope of work by awarding the remaining alternate bid items A4, A5, A6, A7, and A8 through this contract; and

WHEREAS, following the date of the contract award, funds to award these remaining alternate bid items have become available in the Port's FY 2007-08 capital budget; and

WHEREAS, there is need to extend the contract duration to compensate for the lead time to fabricate and install the windows upon award of the additional scope of work; now therefore, be it

RESOLVED, that the Port Commission hereby authorizes Port Staff to execute a contract modification to the Pier 33 Roofing and Related Structural Repair Project, Contract No. 2710, with Best Contracting Services, Inc. to include alternate bid items A4, A5, A6, A7 and A8 by increasing the contract award amount by $1,064,915 to a total of $2,716,055; and be it further

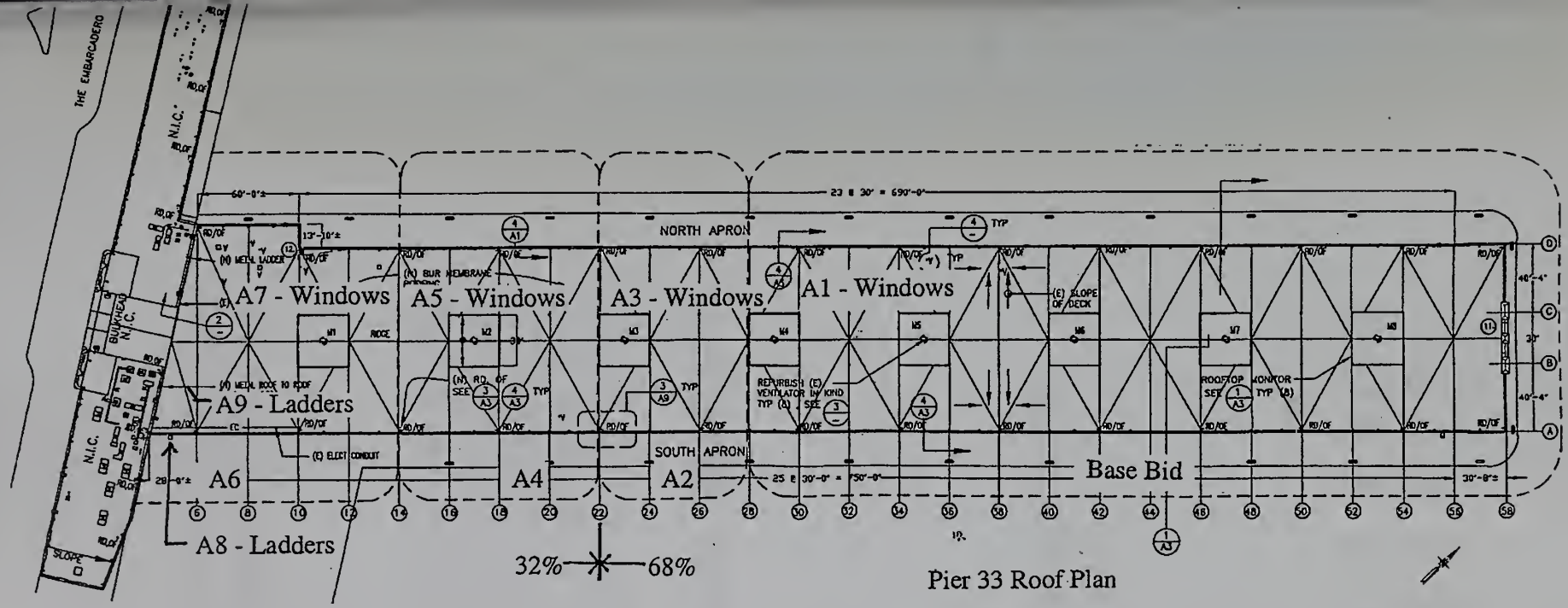
RESOLVED, that the Port Commission hereby authorizes Port staff to increase the total contract amount, if needed for unanticipated contingencies, by an additional $271,605 (10% of $2,716,055) to a total of $2,987,660 through contract modification or change order; and be it further

RESOLVED, that the Port Commission authorizes Port staff to increase the contract duration by an additional 60 days for a total of 180 days; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of July 17, 2007.

_____
Secretary



Pier 33 Roof Plan

Proposed Additional Award (32%)		Current Award (68%)	
A4	Between Col. Lines 14 & 22 continue same work as base bid	Base Bid	From grid line 28 to East end of Pier repair of dry rot wood decking and structural framing, repair and refurbishing of the rooftop light monitors, window repair, hazardous material abatement, and re-roofing.
A5	Between Col. Lines 14 & 22 replace 16 steel windows	A1	In Base Bid area replace 80 steel windows in lieu of repair
A6	Between Bulkhead and Col. Line 14 continue same work as base bid	A2	Between Column Lines 22 & 28 continue same work as base bid
A7	Between Bulkhead and Col. Line 14 replace 16 steel windows	A3	Between Column Lines 22 & 28 replace 16 steel windows
A8	Roof access ladders at apron	A9	Roof to roof access ladders

FIGURE 1

SAN FRANCISCO PORT COMMISSION

SF
P55
#3
7/17/07

JULY 17, 2007
MINUTES OF THE MEETING

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MEMBERS, PORT COMMISSION

HON. ANN LAZARUS, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. RODNEY FONG
HON. MICHAEL HARDEMAN
HON. STEPHANIE SHAKOFSKY

MONIQUE MOYER, EXECUTIVE DIRECTOR
AMY QUESADA, COMMISSION SECRETARY

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
JULY 17, 2007

1. CALL TO ORDER / ROLL CALL

Commission President Ann Lazarus called the meeting to order at 2:07 p.m. The following Commissioners were present: Ann Lazarus, Rodney Fong, Michael Hardeman and Stephanie Shakofsky. Kimberly Brandon was not present.

2. ANNOUNCEMENT OF PROHIBITION OF SOUND PRODUCING DEVICES DURING THE MEETING

Commissioner Lazarus deferred the announcement until the Commission reconvenes in open session.

3. APPROVAL OF MINUTES - June 12, 2007

ACTION: Commissioner Hardeman moved approval; Commissioner Fong seconded the motion. All of the Commissioners were in favor; the minutes of the June 12, 2007 meeting were adopted.

4. PUBLIC COMMENT ON EXECUTIVE SESSION

5. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Fong seconded the motion. All of the Commissioners were in favor.

At 2:08 p.m., the Port Commission withdrew to executive session to discuss the following:

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative.*

a. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning & Development
*SF Piers LLC: Tom Hart and Rocky Fried

6. RECONVENE IN OPEN SESSION

At 3:17 p.m., the Commission withdrew from executive and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to adjourn executive session and reconvene in open session; Commissioner Shakofsky seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner Shakofsky seconded the motion. All of the Commissioners were in favor.

Commissioner Lazarus announced that the ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. The Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

7. EXECUTIVE

A. Executive Director's Report: Executive Director Monique Moyer reported the following:

- American Association of Port Authorities Communications Award of Excellence - Port of San Francisco's 2007 Maritime Calendar – The 2007 Port Calendar has won an award from the American Association of Port Authorities. They grant different grades of awards and it has won the highest award in the category of Promotional Literature in its Communications Awards Program. There were 194 entries from 38 ports and 31 of those entries were given awards of different classifications; 17 of which won the awards for Excellence. The Port Calendar is an incredible calendar. It has pictures of our current maritime business and contrasts it with historical pictures. It has all kinds of fabulous things including a dedication to former Commissioner Bierman. She couldn't be more proud of all the people who worked on the calendar. It was an incredible effort to undertake. She thanked Gerry Roybal, Renee Dunn, Adriana Forney and many others including some very distinguished photographers: Jay Ach of our Port staff who is the second largest contributor to the calendar, Jake Tomlinson who is one of our active volunteer greeters at the cruise terminal, Captain Jack Goldthorpe, a captain of the Red & White ferry. Among the judges' comments noted that the quality and uniqueness of the photos added significantly to the successful communication of our marketing message. At the annual AAPA meeting in October, there will be an awards dinner and Gerry Roybal will be accepting the award on behalf of the Port. It's very rare that the Port of San Francisco gets to compete with all those big ports.

- Fourth of July Celebration on the Waterfront – It was an incredible celebration; thanks, in part, to the outstanding weather and a very concerted effort by all involved to create a great event. Port staff participated extensively which included the road closures, notification letters, one-day parking passes to affected tenants. The Port had to issue permits for sound systems and valet parking for bicycles. The SFPD Central Station had a mobile command post established at Taylor and Jefferson Streets and

managed a few incidents. Generally, the event at Fisherman's Wharf was a huge success. Unfortunately, there was a group of people who were setting off illegal fireworks in Harry Bridges Plaza. Our Homeland Security Director had to park her personal vehicle and stay there for two hours to make sure they didn't' set off the fireworks. At Pier 30/32, which is under lease with Hartmann on behalf of the All Star Game, fences were broken and there were all kinds of fireworks being discharged. It was a difficult event for the Port to police plus we had added security duty. There was a shooting in the Muni tracks between Sinbad's and Hotel Vitale. There were a lot of crowds out that night and a lot of disregard for public property. The formalized 4th of July was a huge success. She thanked Port staff and law enforcement for their help.

- All Star Game Festivities – July 6 to 10, 2007 – The All Star Game Festivities was a great success. The Examiner and the Chronicle ran comprehensive front page articles describing the event and the success of it which was incredible. The Mayor mentioned yesterday that he had an exit interview with Major League Baseball who raved about the events and said that everything went absolutely right. It was the best event they ever had. There were 100,000 visitors to San Francisco, 125,000 to FanFest at Moscone Center, 50,000 on the Embarcadero for the Red Carpet Show, 43,965 people at the All Star Game, the largest crowd in the park's history and somewhere between $60-65 million to City businesses in all kinds of direct and indirect revenues. She thanked the hundreds of Port employees that made this event happen.

- San Francisco Business Times Breakfast Forum – July 18, 2007 at 7:30 a.m. @ the San Francisco Hilton – The speakers will be Mayor Newsom, Craig Middleton from the Presidio Trust, Nat Bosa of Bosa development who is doing a residential project at Mission Bay. Stephen Proud of Lennar who is working on both the Hunter's Point Shipyard and the Treasure Island Projects and she will be talking about the Southern Waterfront, specifically from China Basin to India Basin. With the exception of the Mayor's global remarks, it's going to be about the eastern side of the City. The Business Times staff informed her that they have a record 1,000 attendees for the breakfast forum.

- Sister Port Signing Ceremony between the Port of Shanghai and the Port of San Francisco – July 18, 2007 at 4:00 p.m. @ Port Commission Hearing Room, Ferry Building – We will be signing a Sister Port Agreement with the Shanghai Municipal Port Authority. A delegation of representatives from Shanghai which include Mr. Xu Peixing, the director general of the Municipal Port Administration Bureau, and about six others will be attending. President Lazarus and Commissioner Fong will be the mistress and master of ceremonies. The signing will take place in the Port Commission Hearing Room at the Ferry Building at 4 p.m. We have erected benches in Pier ½ to commemorate the relationship. As part of the ceremony, there will be plaques installed on the benches and a reception thereafter back in the conference room. This is a big event for the city and its continued efforts to keep the commerce gateways open between our respective cities and we're very proud to be able to establish this relationship.

- Pier 70 Community Planning Workshop – July 25, 2007 from 5:00 p.m. to 7:00 p.m. @ the Bayside Conference Room at Pier 1 – The Pier 70 community planning workshop will be kicked off on July 25 at Pier 1. This is the first in a series of workshops which is going to be designed to solicit community and stakeholder input for a Pier 70 master plan. Pier 70 is a 65-acre site bounded by Illinois on the west and the Ramp Restaurant and the Mirant Power Plant on the north and the south. The agenda of the meeting will include a discussion of the master plan process and schedule, the previous planning effort, goals and objectives for this effort and site opportunities and constraints. They will also discuss the work that has been completed to date. As the Commission might recall, Port staff are undertaking a historical analysis of the structures and facilities, environmental analysis and economic analysis of master plan opportunities.

- China Basin Seawall Lot 337 Public Workshop - July 30, 2007 from 5:00 p.m. to 7:00 p.m. @ the Bayside Conference Room at Pier 1 – There will be another meeting of the China Basin SWL 337 community planning process on July 30 at Pier 1. SWL 337 is a 14-acre site also known as Lot A. At that particular workshop, Port staff will be establishing vision and objectives for this site as discussed in prior meetings.

- Warm Water Cove Community Clean Up – August 4, 2007 from 9 a.m. to 12 noon @ Terminus of 24th Street – This is a new idea for the Port and she gave credit to Tom Carter and the Maintenance division for the idea to establish a community clean-up date for Warm Water Cove. The clean-up is being co-sponsored by the Port and the Department of Public Works and it is to clean and encourage public use of Warm Water Cove. Warm Water Cove is Port owned bay park at the foot of 24th Street which is used heavily by the Dogpatch Neighborhood. Unfortunately, it is also heavily vandalized by the homeless, graffiti taggers and organizers of rave parties. It will take a very extensive effort on behalf of the Port and other city agencies. We've established a task force which includes the Port, the Department of Public Works, the San Francisco Police Department, the District Attorney, NorCal Golden Gate Disposal, community members and adjacent property owners and we hope that this will be a fun and rewarding event.

- Update on Proposed Automobile Importing at Pier 80 – We were happily negotiating with Pasha International to import autos at Pier 80 and in early December 2006, we signed a Letter of Intent between the Port and the Pasha group. Unfortunately, a few weeks ago, the Pasha Group notified Port staff that they would like to terminate the letter of intent at this time. There are a number of reasons but the primary one has to do with the deal. It's not cost effective; the tunnels remain an issue for the ability to move autos off the pier and out of the area. They're not quite high enough. They are hoping to get some labor concessions which they were not able to do. They haven't closed the door completely. They have not identified another location in the bay but it was disappointing to still not be able to use the facility to the best of its capacity again because of the surrounding infrastructure i.e. the tunnel is not up to snuff. Clearly what is happening in the bay now is shrinkage of available lands. Richmond is fully spoken for. Oakland is not in the bulk or breakbulk business at all. Redwood City only does bulk. Stockton is not very navigable and far away. That leaves San Francisco Port with its Pier 80 facility. We have to look seriously at how to find the

investment for that infrastructure so that we can get the rate of return. We are hopeful but not optimistic that we can secure some funding in the State's infrastructure bond financing. Unfortunately, it requires a 50% match which would be a very big hit for us. We are actively working on finding a solution. The Pasha Group has hinted that if we can find that solution, they would be happy to start discussions again.

- Update on Expansion of Pier 70 Drydock – She was hoping that she could give the Port Commission the fantastic news that it's done but it is not. Ira Maybaum, the president of BAE San Francisco, is still on the phone with his superiors. He was recommending the transaction as it is now negotiated to them. They are still having some concerns and worries. We expect to continue to work to close that transaction. In the meantime, BAE continues to spend money on development and design of the expansion and Princess Cruises has booked a Post-Panamax ship for a repair at the Port in September 2008. It will be here for 21 days which would be fabulous for BAE and the Port. We are working hard to get this transaction closed.

- The *"100 Birds of Heron's Head"* Field Guide Release Party will be held on July 22, 2007 from 2 p.m. to 4 p.m. at the Potrero Hill Neighborhood House located at 953 De Haro Street in San Francisco. A group of very dedicated people have published this beautiful book on the birds of Heron's Head. They are: Eddie Bartley, Mark Chambers, Alan Hopkins, Noreen Weeden and Matt Zlatunich.

Commissioner Fong thanked the Port and Port staff for its participation and acknowledged Martha Cohen for organizing yet again a successful event. From the Fisherman's Wharf perspective, he thinks that because July 4th fell on a Wednesday, the events were spread out a couple of days before and a couple of days after. It was a pretty calm evening. It was a family event. He saw smiling faces and smiling kids.

B. Informational presentation by Ed Reiskin, 311 Director, regarding "311" - San Francisco's new one-stop information telephone number.

Ms. Moyer indicated that Ms. Reiskin just joined the City and County of San Francisco as the official head of the 311 project. There has not yet been an official head. Mr. Reiskin has been in the public sector for most of his career and came to the City from the District of Columbia where he was the interim city administrator.

Ed Reiskin, 311 Director, indicated that he just joined the department about 3 weeks ago. He complimented the Port Commission for a beautiful room. He gave the Commission an overview of what 311 is and welcomed any discussions or questions about the potential relationship between the Port and 311. Why did San Francisco create 311? He showed a picture of how citizens, visitors, businesses interaction with the City and County government looks like. There are a lot of paths of entry for information and a lot of different receptacles for that information. There is a lot of information coming into the City. If you open up the phone book and look at the blue pages or the government pages, there are over 2300 phone numbers for the City & County of San Francisco. If you're trying to find out where to go in the City, you have to weed your way through 2300 phone numbers. This has been the Mayor's project before he became the Mayor. One of the things that he's identified in relation to this need is not only is it complex to be able

to figure out how to navigate through the government but those who are most in need of the government services are probably the least likely to be successful in navigating through that maze. There is a real equity issue that 311 can be part of the solution for. The statement that the Mayor had in mind and what he sees 311 is being able to facilitate is outstanding service from the government for the people. They have about 53 people answering the phones. They have a small management and administrative staff. The core of the agency is the people answering the phones and providing the service. This was the vision and they are at varying levels of implementing that vision. The idea is one call to City Hall, not 2300 numbers. The real vision is to take the 2300 numbers and bring it down to 2. Call 911 if it's an emergency or 311 for anything else. The lead point of the vision is to the one place you call to reach the government. It's a three digit toll free number within San Francisco. There is a ten-digit version if you're calling from elsewhere. They are staffed 24/7, 365 days a year. People will always get a live person on the phone. They are currently in the process of developing email or web interface. Soon people will be able to email their question or service requests or go to sfgov.org and enter directly as a service request or question. They currently operate in multiple languages. They have a number of bilingual call takers. They also have a contract with language line (over 145 languages) which is a service that will enable them to connect to a third party in real time translation. They have been getting a decent amount of activity in the range of hundreds of calls where the operators were able to serve people in languages other than English. Obviously, Spanish and Cantonese are the main languages. They have a broad variety of folks accessing 311 in different languages. This is something that government may not have been accessible to some of the folks before that is a very important part of what 311 is about. They have a TTY access and they are currently working on improving accessibility. It's only a seven digit number. They are working to get when you call 311 from a TTY machine, you're served directly so that everybody only has three digits to dial. He has been meeting with the Mayor's office of disability to ensure that any accessibility issues were being addressed. If you call in a service request, you get a tracking number so you can keep track of the status. Part of the vision is that it reduces 911 calls. Half of the calls that go to 911 in San Francisco and other cities are not emergencies. Many of them are police related but they are not emergency calls. 911 has had some struggles. They have a difficult time recruiting and retaining staff. To the extent that they can siphon off the non-emergency calls, it will greatly improve their effectiveness. They will be able to pick up the phone faster if you dial 911 for real emergency. That's an important aspect of this project.

This project started in 1999 when the Mayor was then a supervisor. He visited Chicago and saw their 311 system and thought that San Francisco should have this kind of system. He did a lot of work as supervisor then and as Mayor to get it to the point where the budget was approved two years ago. This project was launched about 3 months ago. They have translation services. They currently offer language line services to all City departments. If somebody who didn't speak English calls the Port, Port staff can call 311 and they will be connected to the language line. That's a pilot project for three months. They will work with the City to give this function to all city departments. He showed a picture of the 311 facility located at One South Van Ness. It's a simple facility but it has high tech telecommunications equipment. Their primary objective is to have two numbers to call 911 and 311. He added that the idea is not just to be a City switchboard because then they are adding a step to the process of getting the information. The vision is you call 311 and you get your needs addressed then and there. They will be able to

provide the information from whatever department you are looking for. They are trying to change many people's experience or stories of experience with calling the government where you get busy signals, people are rude, etc. They are trying to change that as a professional culture. They had the luxury of being able to be selective in terms of hiring the people who answer the phones. There is great demand for these jobs. They were able to get top customer service professionals. He encouraged everyone to call 311 and test it. If you experience other than that, he'd like to know.

One of the exciting things is not just having a nice person answer the phone but to drive improvement and government agency operations through the information they are gathering. If Public Works learns through this system that they are getting a whole bunch of pothole requests in one neighborhood and it takes them a week to fill at one site and a day at another site. That's information they can use to better allocate resources to see what's wrong with the roads out there. There's a lot of data that could become rich information that will not just get the problem solved but may improve the efficiency of the agencies. That's where it can have some transformational powers. They basically get information requests and service requests. Information requests, they have been transferring knowledge from all the various departments. They are in the process of doing that so they endeavor to be able to take care of that in house; if not, they will transfer it to the department. With service requests, for some agencies, they now have the ability to directly enter into the department's service request system.

They've hit almost a half a million calls. The idea was that it would be somewhere in the 1.2 – 1.5 million a year range. Right now, they are on a pace for almost 2 million a year. It's taking off and that's with pretty minimal marketing. They redirected 673 Muni and 28 Clean to 311. Besides that, it's been a word-of-mouth. They are answering the calls on an average within 10 seconds. Not only do you never get a voice mail but you usually get to an actual person on the phone quickly. From those calls, they've initiated more than 35,000 service requests. They are mostly public works at this point. They mostly have to do with illegal dumping, some of the things you find on Port property. They are fairly new and growing quickly. It's a high priority of the Mayor to develop into its full vision.

Commissioner Lazarus commented that she only heard positive reaction about 311. She is going to test it personally soon.

Ms. Moyer indicated that with respect to the Port in particular, we get a lot of calls about how can people get tickets to Alcatraz, how can people do this, do that, where's the best place to see the fireworks, etc. Having 311 is a big help because they are able to pass on the contact numbers directly for those types of inquiries. We've also provided them the number of the Fisherman's Wharf Community Benefit District as well as other related entities. It's been a real help for the Port. She thanked Mr. Reiskin and his team.

Ernestine Weiss indicated that she promoted 311 in her own apartment complex when it was first offered. She thought it was a terrific way to get things done in the City but lo and behold, she has a list of ID numbers, a mile long. She can't keep track about the status and it's frustrating for her. She can't follow up. She was hoping that if she calls 311, it would get done such as clean up Market Street. Sansome Street is filthy and it's still filthy even though she put the request in. Double parking trucks on Sansome and

Sutter, etc. She's become a bookkeeper now keeping track of all the ID numbers. She does not know how to handle it. She'd like to know how that could be made easier and more effectively. The structure is wonderful but if you're not going to have the agencies do their job in tandem, it's not going to work. 311 has to be tough on the other agencies such as DPW, Muni, etc. The City is a mess and it needs help. She hopes that 311 would be able to do it but she's run into some roadblocks.

C. Request approval of resolution in support of the Blue Angels' Air Show during Fleet Week. (Resolution No. 07-53)

Ms. Moyer indicated that there was a legislation introduced at the Board of Supervisors to either restrict or prohibit the Blue Angels from flying in the City air right areas for Fleet Week. This is a very important event for the Port, for our tenants and our neighbors. It brings thousands of people to Fisherman's Wharf. Last year's Fleet Week was a huge success for the Port. It is clear that the Blue Angels is the marquee draw. It's difficult to assure that the Blue Angels will continue to come back to Fleet Week. The Navy is very committed to having Fleet Week in San Francisco but they are not always as committed to having the Blue Angels here every year. In fact, in other jurisdictions where they have Fleet Week, the Blue Angels do not fly regularly. Port staff propose that the Commission recognize the economic benefits and ability of the Blue Angels to help meet our mandates which is to draw people to the waterfront by adopting the resolution. We do know anecdotally that the fact that this resolution is pending before the Commission has helped to give the Navy reassurance of the commitment of the Port to this important event. We hope that it will lead to a very successful Fleet Week in October.

Commissioner Hardeman commented that one of the highlights of what we do on the waterfront is having Fleet Week. Approximately 9000 sailors and pilots and support people come and enjoy our city. We've chased the Navy out of the bay area. The Navy has abandoned our shipyards. This is something that the Commissioners can do to encourage the City to continue to have this fun event. There's not more evil people than there are good people in the world but there sure are evil people that would like to destroy our country. If we don't have military, we have no defense and we wouldn't have this country. He is personally grateful to the Navy. He supports the resolution and he hopes that the citizens of San Francisco will support it as well.

ACTION: Commissioner Hardeman moved approval; Commissioner Fong seconded the motion. All of the Commissioners were in favor; Resolution No. 07-53 was adopted.

8. CONSENT

A. Request approval of assignment of Pier 9, Suite 115, under Port Lease L-13914, to Ephesus Sourcing Services LLC, as Assignee by Yesim North America LLC, as Assignor for use as office space. (Resolution No. 07-50)

B. Request approval of sublease of a portion of the Premises at Pier 9, Suite 112, under Port Lease L-13903, to Influx Partners, General Partnership, as Sublessee to Barry & Associates, a Sole Proprietor, as Sublessor for use as office space for a term of three (3) years. (Resolution No. 07-51)

C. Request approval of Contract Modification to the Illinois Street Intermodal Bridge Contract No. 2680 with Shimmick Construction Company, Inc. to extend the final contract completion date to December 17, 2007. (Resolution No. 07-52)

ACTION: Commissioner Hardeman moved approval; Commissioner Fong seconded the motion. All of the Commissioners were in favor; Resolution Nos. 07-50, 07-51 and 07-52 were adopted.

9. PLANNING & DEVELOPMENT

A. Informational presentation regarding the Arts Commission proposal for public art by Louise Bourgeois at the plaza in front of Pier 14, at The Embarcadero and Mission Street.

Dan Hodapp, Planning and Development, indicated that the plaza in front of Pier 14 has become one of the most photographed spots along the waterfront during the past year due to the presence of a very bold sculpture by Dan DasMann and Karen Cusolito entitled *Passage*. As for the Commission's authorization, the placement of the sculpture ends in October 2007. It was a temporary installation. Others have noticed how spectacular the setting is for public art. Today, the City's Arts Commission staff will seek Commission's approval to temporarily locate another sculpture at that location. Today's review is an informational presentation. Should the Commission approve, Port staff will return in August with a resolution to direct the Port Executive Director to enter into a Memorandum of Understanding with the Arts Commission that would require the Arts Commission to provide engineering for the sculpture installation, deterrents to climbing the sculpture, all installation and removal costs, maintenance, and all insurance and liability related to the sculpture. The MOU would state that the City, through its General Fund, would accept liability for the sculpture and any associated incidents and the Arts Commission would procure a fine arts insurance policy in the amount of $6 million to cover the sculpture and indemnify the artist and gallery that are lending the sculpture to the City. The installation period could begin in November 2007. The Bay Conservation and Development Commission (BCDC) granted the Port a permit to locate temporary art at this site for periods of up to 24 months without further BCDC review. Because this use of Port property is for public benefit and not to generate revenue for the Arts Commission, the resolution to follow would state that the use of this site would be without fee to the Arts Commission.

Jill Manton, Arts Commission, indicated that she directs the public art program for the Arts Commission. They are very thrilled to have this opportunity to present the work of an internationally renowned sculpture like Louise Bourgeois. This is one of the only situations in which the work would have been displayed out of a museum context. Ms. Bourgeois has displayed her work at the Tate Modern Museum in London and the Guggenheim Bilbao. There's an upcoming exhibition and international tour of her works

scheduled at museums throughout the world. Over the past several months during the planning of this project, they have been working closely with the artist's local representative, the Paule Anglim Gallery, which is a pre-eminent, highly respected gallery in San Francisco doing business for the past 30 years. Mayor Newsom has encouraged the Arts Commission to embark upon a program of temporary public art programming throughout the city for the past two years. She had the pleasure of working with Commissioner Hardeman a year ago as they selected artists for the Blue Greenway Art Project. They've done 14 temporary public art projects, all of which have featured the work of local artists. This is an opportunity to bring someone from outside of the area of international acclaim. As Dan Hodapp mentioned, the Arts Commission will accept full responsibility for managing the project, meeting the insurance indemnification, ADA and safety security requirements of the Port.

Commissioner Hardeman commented that the sculpture looks so much better with the snow. Ms. Manton replied that they are talking about placing it on a low platform of plinth that can be perhaps of a lighter color to not imitate snow but the contrast would be there.

Commissioner Fong commented that it's great that we've established this program with changing art. He thinks its fantastic and it's intriguing. He hopes that the Port along its property can find another location to place public art. He's excited about the project.

Commissioner Shakofsky commented that it's a very evocative piece. There are not too many giant arachnids running around the City. She asked about the cost to the Port. Ms. Manton replied that all costs will be absorbed by the Arts Commission.

Ms. Moyer added that there will not be an assessment of rent. When the Port Commission adopted the rental schedule for 2007-08, the Commission adopted a waiver of rent for art, which is not commercial and which no one is profiting. There's no expense and no revenue. The Arts Commission will be responsible for the security of the piece, the insurance and usual indemnities.

Ms. Manton added that the artist is lending the work at no cost to the City but the Arts Commission will be paying for the transportation, installation and all the project costs.

Commissioner Shakofsky asked where the sculpture is currently located. Ms. Manton replied that it was displayed at the Philadelphia Art Museum and there's a new cast being made with the hope that it will come to San Francisco. She thinks that the sculpture that was displayed in Philadelphia was sold.

Commissioner Lazarus echoed the other Commissioners comments and asked how the Arts Commission will top this piece.

Leonard Hunter, Arts Commissioner, indicated that the Arts Commissioners are very excited about this installation. It is a very high quality piece of work. It's amazing that the people that are handling Louise Bourgeois work are allowing this to happen and he thanked the Paule Anglim Gallery. He couldn't imagine a more interesting piece. He has not personally seen the sculpture but knows people who have and they say it's mesmerizing, evocative. It's made of bronze, very durable and strong work but it's

strong intellectually, visually. He thinks it will be something that people will love. He thanked the Port Commission for working in partnership with the Arts Commission to have this opportunity. The Mayor is very excited about more and more temporary work. There are ideas out there and some are loved and some are hated but it gets a lot of attention and stirs up a lot of interest in what we do as a City.

Mike Farrah, Mayor's office, thanked the Port Commission for its resolution on the Blue Angels and Fleet Week. He congratulated the Commission and Port staff on a fabulous All Star Week. The Port did an amazing job. The city really shined during the festivities. The event went flawlessly. A lot of dedicated workers of the City and County of San Francisco did a fantastic job. In the three years the Mayor has been in office, he's seen how public art has led to more public art, how temporary projects have inspired more art. If you look at the first piece that Jill Manton worked so hard on and the Black Rock Arts Foundation worked so hard starting with the David Best Temple in Hayes Green, that piece led to a project in Detroit. It led to the neighborhood wanting more temporary art. Consistently, we see temporary projects leading to other art in the neighborhoods and it's been fantastic. He is blown away that Jill was able to land this piece and try to get it in San Francisco. It's an honor to get it displayed in San Francisco. There have been discussions in the newspapers about some of the other art work on the waterfront. It is a great discussion to have whether you love it or hate it. It's an important discussion to have. The Mayor is very excited about this piece being on the Port. He thanked both the artist, Louise Bourgeois and the artists that we are currently displaying, Dan DasMann and Karen Cusolito for their work. He looks forward to the installation coming in at the end of the year.

Melissa Alexander, new executive director of the Black Rock Arts Foundation, praised the Commission for considering this proposal. It's a wonderful piece. The vision of the Arts Commission and the Mayor and the City to create this temporary public arts program is the reason she took the job. She had a personal transformative experience with that work and it changed the direction of her life. To have such an important work as Louise Bourgeois in the City makes her feel proud. She looks forward to seeing in on the pier.

Ms. Moyer indicated that the Commission does not have to take action now or approve the license because the Commission adopted it as part of the Rental Rate Schedule. She wanted to ensure that the Commission is aware of this art installation prior to its arrival. She's not sure what this new installation entails. She wanted to make sure that the Commission is the first to know, not the last.

Commissioner Lazarus asked when P*assage* will be de-installed. Mr. Hodapp replied that *Passage* is due to de-installed in October 2007. They are relying on a number of things such as the ability of the gallery to fabricate this particular piece out of the mold, the schedule of the Arts Commission, the schedule of signing the MOU with the Port's Executive Director and the timing of the removal. Halloween is a wonderful goal and they will take that into consideration; however, it is not guaranteed at this time.

10. REAL ESTATE

A. Informational presentation to introduce the new Street Performers Program for the Fisherman's Wharf area.

Katherine Arrow, Senior Property Manager, indicated that together with Claudia Davison, they manage the Fisherman's Wharf area. The Street Performer Program was developed by Claudia at the request of the community. The performers, merchants and restaurants and the police have all told the Port on many occasions that a system needs to be in place. She welcomed members of the community that have come today especially the street performers who enliven Fisherman's Wharf with their entertainment. Over the past two years, Claudia, with input from the community, came up with a workable solution to the problems there. They include pedestrian safety, mobility on the sidewalk, reducing overly loud performances that interfere with businesses and reducing the unfairness and the current unstructured performance location process which suppresses variety and equal access. She provided the Commission a brief overview of the Draft Fisherman's Wharf Street Performers Program. If there is one message she can convey to members of the audience is that the program is under development. Port staff is open to everyone's input. Staff are planning to spend the next six weeks finalizing the program starting with the community workshop to work on the details as they relate to positioning locations, volumes, scheduling, fee structures, etc. The workshop is tentatively scheduled for Wednesday, August 8, 2007 from 10 a.m. to noon at Pier 1. Ms. Arrow indicated that they are not the first to try to create a street performers program. In 1984, one was attempted but did not succeed. They believed that they have addressed the issues that caused the former program to collapsed and hope that at this time, they can all work together to bring this program to life. Because the agenda is too full today, she asked those planning on speaking to save their comments that relate to the details of the program for the community workshop or by emailing her.

Ms. Arrow mentioned that this is a brief overview. A copy of the program is provided on the table outside the conference room. She showed photographs of some of the performers at Fisherman's Wharf. The program is in development and a community workshop is scheduled. She hopes to finalize the program in early September and come back to the Port Commission with a resolution by mid-September with the hope that the pilot program will start October 1st. This is for the street performers which include but are not limited to musicians, dancers, human statues and robots, clowns, mimes, jugglers, and anyone who wants to express themselves. Some of the stakeholders that Port staff are working with are the street performers, the merchants, the restaurants, the police, the residents and the 14 million visitors that come to Fisherman's Wharf every year. The program does not include street artists because they already have a program through the San Francisco Arts Commission. It does not include unauthorized vendors, or unauthorized service providers. She listed those because generally they contract for a fee in advance of providing the service as opposed to street performers who rely on donations after their performance. The draft program works by managing a license and lottery system. They are offering three different terms: 3 to 6 months and a one year license available. They will handle a lottery. They will schedule the spaces on a monthly basis. The First Amendment to the Constitution protects the right to freedom of speech and public agencies may set boundaries affecting the time, place and manner of performances and other forms of expression. Because of this, the program is voluntary

and it provides benefits to the participants. For license performers, the Port will offer schedule performances at designated locations. Port staff will post the schedules on our website. They will be able to have longer performances up to a three-hour time slot. They will be able to use amplified sound and there are certain definitions that she is not going into longer detail here but they can look into it at another time. They will have the opportunity to sell performance related materials. On the other hand, unlicensed performers would be able to use a portion of the designated spaces on a first come, first served basis. It will be for an hour and a half performance time if there's another unlicensed performer that wants to step in and use that other half of the time slot so that more people would have an opportunity to perform that aren't licensed. They may not sell merchandise or use amplifiers. Staff is proposing 8 different locations along the waterfront and it's determined by the number of performers, the size of the audience, the sound levels that the performer needs e.g. if it's amplified sound, there's more appropriate places than others for them to be and pedestrian accessibility. There are some performers that are so popular that when a crowd surround them, people that are trying to get by literally have to step off the curb and into the F tracks to get around them. This is something that needs to be addressed and corrected. There will be four three-hour timeslots per location each day and a third of those will be reserved for unlicensed performers. She showed the Commission a map of the proposed locations but it is subject to change. Locations are something that they can talk about at the community workshop. At each location, they will post the schedule and the rules. The area will be painted at each location where the performers can be located. They will mark out a path of travel so people can keep the sidewalks clear and create buffer zones to minimize noise interference. The sound levels needs to be further investigated. For each location, they are either given level 1, level 2 or level 3 depending on the volume of each performer and what their basic sound levels need to be. They only have two sites that are level 3 that will allow for full amplification. There's a variety of places for quieter performers to be. For the lottery system, a monthly schedule will be laid out for performers and it will be posted on the Port's website. Each performer will get a copy of the schedule and it will also be provided to the Police Department and Port security. It would certainly help with the enforcement efforts. She showed a sample of the lottery schedule showing four different locations, four different time slots. They've made sure to block out a third of the spaces for unlicensed performers. They will make sure to have that ratio. There will be 8 locations with 8 weekly time slots per location. There will be 224 opportunities to perform each week. They've sectioned out the unlicensed performers in their half-hour time slots. It means that they get 154 opportunities per week. License performers will get 147. There's ample opportunity to perform at Fisherman's Wharf and those with or without licenses will be able to perform where they want and when they want. It's a flexible program. She showed a breakdown of the license rates. If a performer performs twice a week, 50 weeks of the year, it will cost them about $6 a performance. Staff thinks that is a fair rate and reflects the value of working at Fisherman's Wharf. There's a substantial revenue that can be made and the revenue will go toward hiring a part-time program coordinator that will help implement the program, run the lottery, do spot checking of the sites, etc. Staff is looking at the option of master licensing the program with the Fisherman's Wharf Community Benefit District (CBD). Staff hopes that CBD could process applications, issue licenses and manage this program with the program coordinator.

Enforcement is a key element to making sure the program works. SFPD and Port security are program coordinators. Port staff need to develop due process for any violations and staff will be working with the City Attorney's office. Staff will also look to the community to self regulate because it has worked successfully with the Street Artists Program. Staff thinks that the Street Performers Program will also have that element to it.

The next steps will be to hold the community workshop, meet with City Attorney's office, meet with CBD, get an understanding of how many program participants there will be so they can project a rough budget somewhere between $7,000 to $12,000 a year. The funds beyond the part-time coordinator, staff would like to purchase decibel meters and be able to fund replacement signage. Staff has to further develop the enforcement strategy, study the Municipal Codes and provide all the supporting documents and get the whole set up as a support to the CBD should the Port enter into the master license program.

Fred Crisp, SFPD Central Station, indicated that Captain Dudley couldn't be here today but he's been pushing with the Port to see about this program being implemented which Ms. Arrow has done so admirably. He was around during the mid-90's process but it fell apart. On behalf of Captain Dudley, he complimented Ms. Arrow and Ms. Davison's accomplishments in a very short amount of time. As Ms. Arrow mentioned, it's a work in progress. It's not the final product. Ms. Arrow should be commended by the Port Commission and everybody involved because there is no program currently in place. Whatever support the Commission can extend to Ms. Arrow is appreciated. It has been a chronic problem. It's unfortunate for the artists, tourists, and residents. Ms. Arrow has developed a good handle on starting to get this program going. He asked when was the last time the Port came up with something that could probably be implemented in the whole City. Ms. Moyer replied the parking meter program which was implemented a few weeks ago. Mr. Crisp indicated that if this program passes and it goes through the City Attorney's office, he could see this program being implemented in other parts of the City as well.

Alvin Lee, SFPD, added that Fred Crisp has been working in the Central District for a long time. He was the permit officer at the Central Station. He has a firm grip of what's going on around the district. He thanked the Port and Ms. Moyer for their continued support and they look forward to working with the Port on upcoming events such as Fleet Week and the Street Performers Program.

Karen Bell, Fisherman's Wharf CBD, indicated that Katherine Arrow, Susan Reynolds and Claudia's attempts to finally bring some order to the Street Performers Program at Fisherman's Wharf while still allowing for the individuality and continued entertainment of our visitors is truly appreciated. The program's attempt to bring together the street performers with organizations, scheduling and manner of performances is commendable while still allowing for freedom of speech. However, she would be remissed if she did not note that some of their board of directors is concerned with the possible liability issues to the CBD as a result of managing this program and the ability to enforce the program with repercussions resulting from those

violating the orders. The CBD board of directors will meet with Port staff continually and the City Attorney to address these issues and determine CBD's participation level in this program. The Port can count on the CBD's support of this program, whether it be in the actual management of the program or an endorsement of the program.

Fred Anderson, performer, juggler, comedian, indicated that he was on the board that wrote the 1984 guidelines and he was sorry it didn't work out. This time, they will get it right. He thanked the Port Commission for considering it and for the people that worked tirelessly to get this program together. They will come back in September with a beautiful proposal.

Eric Cash, international street performer as well as headline comedian, indicated that he's appeared on the Discovery Channel, HBO, as well as published a featured book that came out in 2005. He thinks it's funny that nobody knows who he is. He's been an international performer for ten years. He loves San Francisco. He came here because the art scene has been famous for over 60 years. Amongst the street performing community, it's also one of the most notorious places in the world. People won't come here. Very talented acts won't come here. They used to. Robin Williams, Harry Anderson, Dana Carvey and a lot of people used to come but they won't anymore because the streets are anarchic by nature. It turns into Darwinism. They can only fight with illegal vendors and violent drug addicts so many times before moving someplace else. He got excited when this was happening. He supports the program. As far as the concerns of the CBD, he and his friend have a model regulation from Boston and Sydney where the program worked as well as paid for the enforcement.

Hubert Emerson Ortis indicated that Katherine and others worked very hard on this proposal and wished that the Port Commission will help them accomplish it. He has been in the Fisherman's Wharf for 20 years. For him to be a part of it, the program needs to be modified. It's good for the younger generation. Robin Williams and Dana Carvey made it off the streets of San Francisco and have accomplished great things. He asked the Commission to support this program, especially for the musicians who are in dire straight of getting back to work.

Stephen Dreyfuss, musician and 20-year resident of the Outer Richmond district, indicated that for the past ten years, he and along with his musical friends and colleagues have been researching the rights and privileges accorded to street performers with respect to First Amendment Rights and Equal protection under the law. They feel that street performers and open air musicians provide a positive ambience to visitors to the Fisherman's Wharf area. They feel that this draft resolution goes a long way towards establishing protocols and guidelines for performers at the wharf. He offered a heartfelt thanks to all the Port personnel in bringing forth this draft especially Claudia Davison and Katherine Arrow who painstakingly refined subsequent drafts. The performers urged the adoption and passage of this draft at the September 2007 meeting. They urged Port staff to continue to the next steps 1 through 9 in the memorandum. He's glad to see that there is a scheduled date. He asked all interested parties to show up at the meeting and it would be incumbent upon them to show up at that meeting and to be heard at that time rather than be subjected to endless

delays. He thanked Port staff for their good work and urged them to proceed onto Steps 1 through 9.

Paul Hayward, recording artist and San Francisco resident, thanked Katherine Arrow and her staff. They've done, in a very short time, what took 30 years to be a hodge podge without any access and the fact that there are police officers, street performers, and musicians in the same room agreeing on something is to be commended. So many of the issues were addressed by Katherine in her presentation. There are a lot of professionals, a lot of parents, homeowners that work on the streets; some full time, some part time. He has an academic background. He has a master's degree in Theology from the University of San Francisco. He likes going down the streets of San Francisco and performing his music and hopefully sell some of his CDs and be what he would consider as an Ambassador to San Francisco. He is proud to welcome people to the City. Playing on the streets of San Francisco is a privilege. He, other musicians and street performers would like to encourage more movement. He thinks that places like Ghirardelli Square, the Cannery, the Anchorage and Pier 39 have sought them out to perform and allow them to play there. That's a resume of sorts. They'd like to continue doing that and being ambassadors of the city and county of San Francisco, they are very proud to be citizens and they'd like to join the rest of the country and the great cities of the country in having something to offer from the artists.

Onyx Ashanti indicated that there are a lot of street performers in the audience. He is a local artist and has lived in San Francisco for ten years. He's been able to go to a lot of places around the world and play because of being able to play here. San Francisco has a unique combination of the environment and the people and a lot of the things that go along with it. It influences art and art influences the world. He's played on the streets in other cities; sometimes its great, sometimes it's not. In San Francisco, it has a special combination of things that when he takes it to other places in other countries, it's the uniqueness that other people pick up and it's one of the reasons that people pick up on. It's one of the reasons he keeps coming back to San Francisco. It allows him to absorb that energy and take it with him. If there are any regulations that allow this type of operation to be done legally to where everyone can be happy, he and other musicians are willing to do anything that is legally necessary to make this a reality.

Jason Beckham, director of sales and marketing at the Hilton Fisherman's Wharf, indicated that as a tourism professional in the city and Fisherman's Wharf, it's an exciting thing to set them up, to market and brand the street performers. In Santa Monica, you know what you're going to see on the street. In San Francisco, you know what you may see sometimes and what you might not see. He's excited about seeing the chance where we can expect a high level of performance. In the hotel community, they can support the street performers not just putting a dollar in their bucket but hopefully by promoting what they are doing out there.

From his background, Commissioner Fong indicated that he knows this program intimately. He knows what it is on the street and he's spoken to many of the musicians in many occasions and he knows the struggles that they have. He also knows that street performers in San Francisco at Fisherman's Wharf is part of the festive atmosphere

that people come to the wharf for. They've recently done some survey work; they enjoy it. It's part of the feeling that there's always a party or there's always something going on at the wharf. He thinks we need to work out some order to this. He thinks this is a good compromise. He congratulated Susan Reynolds, Katharine Arrow and Claudia Davison on this project. There are some more things to be worked out. He hopes that the artists are patient for a little longer as we work out some of the details about funding, budgeting and logistics. If you look at the program, how it serves the performers, it's the right thing but there are some background details that need to be worked out with CBD and who manages it or whoever the third party is. He is very encouraged by it and by the police department having teeth to enforce it, not just gums. He looks forward to it.

Commissioner Lazarus commented that they look forward to hearing more about this proposal in fine detail next month. She thanked everyone for all the efforts that has gone into this work so far.

11. ENGINEERING

A. Request adoption of the 2007 Port of San Francisco Building Code. (Resolution No. 07-55)

John Aires, Senior Building Inspector, indicated that on June 12, 2007, he presented an informational item to the Port Commission with the Engineering Division's intent to request adoption of the Port's Building Code. Since then, our legal division has reviewed the codes and verified that the Port Building Department is considered a local building department under the State of California and the Commission's authority to adopt and recommended that staff move forward to request for the adoption of the building code. The code has been posted on the Port's website and has been advertised in the newspapers. People have asked about it and staff has not received any negative comments to date. Once it is adopted, 30 days later, it will be effective. Port staff decided not to publish it since it's available on the website where people can print it out. They can also come in and request a copy at the Permit Desk for a small fee. He asked the Commission to adopt the 2007 Port Building Code.

ACTION: Commissioner Shakofsky moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 07-55 was adopted.

B. Request authorization to award Construction Contract 2712, Pier 35 Improvements Project to D.F.P.F. Corporation dba Fine Line Construction in the amount of $1,407,496. (Resolution No. 07-56)

Winnie Lee, Project Engineer, indicated that two bids were received for this project on June 28, 2007. The lowest responsive and responsible bid was provided by DFPF corporation dba as Fine Line Construction. The bid meets the HRC's goal of 20%. The summary of bids is attached to the staff report indicating the scope and break down of the two bids received. The project scope includes structural repair to the façade, upgrades to the facility's existing interior restrooms and guardrails and construction of a

staff conference room. Two additive alternates are included in the scope of work to replace the cornice and architectural elements along the façade. The project is fully funded and the anticipated completion of this project is April 2008. Port staff recommends the award of the base bid combined with Alternate bid items A1 and A2. Staff recommends awarding this contract to the lowest, responsive and responsible bidder DFPF Corporation dba Fine Line Construction for the amount of $1,407,496 plus an additional 10% contingency or $140,750 for unanticipated contingencies for a total of $1,548,246.

ACTION: Commissioner Hardeman moved approval; Commissioner Fong seconded the motion. All of the Commissioners were in favor; Resolution No. 07-56 was adopted.

C. Request authorization to execute contract modification to the Pier 33 Roofing and Related Structural Repair Project, Contract No. 2710, with Best Contracting Services, Inc. to include additional bid alternates by increasing the contract amount by $1,064,915 to a total contract amount of $2,716,055 and extending the contract time duration by an additional 60 days. (Resolution No. 07-57)

Wendy Proctor, Architect, asked the Commission to authorize staff to extend the scope of work by 32% and to provide additional contract time to compensate for unanticipated long lead time to fabricate the replacement windows. The project was bid to do 100% of the roofing and repair but when the contract was awarded on May 8, 2007, we were only able to take on 60% of the scope due to funding limitations. Funds are now available and would like to award the remaining alternative bid items. The extensive dry rot and poor condition of the roof warrants prioritizing the remaining work at Pier 33. Therefore, Port staff recommend that the Port Commission authorize the contract modification to the Pier 33 Roofing and related structural repair project with Best Contracting Services to include the bid alternatives A4, A5, A6, A7 and A8 by increasing the contract bid amount by $1,064,915 to a total of $2,716,055 plus an additional 10% contingency of $271,605 for a total of $2,987,660. Port staff also recommends extending the contract duration by an additional 60 days and the anticipated completion time for this project is February 2008.

ACTION: Commissioner Hardeman moved approval; Commissioner Fong seconded the motion. All of the Commissioners were in favor; Resolution Nos. 07-57 was adopted.

12. NEW BUSINESS / AGENDA SETTING

Commissioner Hardeman moved approval to nominate Monique Moyer as a delegate to the annual convention and annual meeting of the American Association of Port Authorities (AAPA) to be held on October 4, 2007 in Norfolk, Virginia, with authority to cast the vote of this body on all motions and resolutions and further nominate Peter Dailey or other Port of San Francisco attendee as an alternate. Commissioner Shakofsky seconded the motion. All of the Commissioners were in favor.

Ms. Moyer indicated that the August 14, 2007 meeting agenda looks a little heavy. It, too, will probably get delayed in various stages as staff continues to work on things. As indicated in the Executive Director's report, it's been very hectic handling a number of planning processes and public events. The Port staff is stretched thin. As you know our organization is extraordinarily thin so we don't have succession planning and when people go on vacation, their work tends to wait on their desk. These items will probably move too. Nonetheless, there are a couple that we're hopeful about. We have very good news on the budget approvals that will be coming back to the Commission in August. The Board of Supervisors was very kind to us with respect to accepting our budget as was the Mayor. We are going to be doing some MOUs with different City departments. Some of which can be on consent because they are continuations of existing agreements. We are going forward with the Pier 50 boat ramp and launch project. It's tremendously good news; the bad news of which is we took money from somewhere else. The good news is that we will be going forward with that project and are continuing to grapple with issues related to the Illinois Street Bridge. Unfortunately, that will be something that the Commission will continue to see over the coming months. The forward calendar does say that the installation of the public art would come to the Commission because of her policy that MOUs between the Port and other City departments should come to the Commission first. In this case, there is no need for it to come back to the Commission since the Commission has had the presentation. Since all the terms are already laid out in the staff report, the Commission does not have to technically have to act but staff prefers that they do. There's a lot of exciting work going on in all spectrums of the waterfront in all divisions of the Port and we will continue to bring it to the Port's attention.

13. PUBLIC COMMENT

Ernestine Weiss made the Commission aware of the Waterfront Design Committee meeting that took place last night. They are looking to put up a glass canopy over the Taylor's open space dining area in order to alleviate the wind and rain problem. We're having a terrible drought so rain would not be a problem. It's usually good weather during lunch. Taylor's would like to erect a huge canopy. We don't need any kind of canopy out there. Leave the area as it is. We don't want anything blocking the Ferry Building façade. If the Port let this one go, they will make canopies all over the place and make a real mess of the Port frontage. She urged the Commission not to approve their proposal. It's not necessary and it's not going to enhance the look of the Ferry Building. It will detract. It serves no purpose. She does not have a lot of confidence in restaurants, knowing the reputation and risks involved. They come and go so putting a permanent structure is not a good idea.

Chuck Johnson asked if someone were to come with a proposal outlining how they wanted to use or take advantage of the Pier 90-94 area, how they would go about that. Ms. Moyer replied that the Port has a public planning process. The area he mentioned is called the backlands. Port staff had its first meeting with the community on June 9, 2007 and there will be more meetings. Mr. Johnson can stay abreast of the meetings vis-à-vis the Port's website or give his contact information to the Commission Secretary. The plan is to have a community planning process then a recommendation made to the Commission and then probably a request for proposals from developers or users.

14. COMMUNICATIONS

15. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval to adjourn the meeting; Commissioner Shakofsky seconded the motion. All of the Commissioners were in favor.

Commission President Lazarus adjourned the meeting at 4:52 p.m.

SAN FRANCISCO PORT COMMISSION

Ann Lazarus, President
Kimberly Brandon, Vice President
Rodney Fong, Commissioner
Michael Hardeman, Commissioner
Stephanie Shakofsky, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

PLEASE NOTE THE TIME OF THE MEETING

AGENDA
TUESDAY, AUGUST 14, 2007
2:00 P.M. EXECUTIVE SESSION
3:15 P.M. OPEN SESSION
PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

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The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk.

DOCUMENTS DEPT.
AUG 10 2007
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1. **CALL TO ORDER / ROLL CALL**

2. **ANNOUNCEMENT OF PROHIBITION OF SOUND PRODUCING DEVICES DURING THE MEETING**

3. **APPROVAL OF MINUTES** - July 17, 2007

4. **PUBLIC COMMENT ON EXECUTIVE SESSION**

5. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

      (1) Discussion of Executive Director's Performance Evaluation for Fiscal Year 2006-07 pursuant to Section 67.10(b) of the Administrative Code and Section 54957(b) of the California Government Code.

      (2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER. (Discussion)

a. Discuss anticipated litigation matter pursuant to Section 54956.9(b)(1) of the California Government Code and Section 67.10(d) of the San Francisco Administrative Code.

Number of potential cases: __1__ As Defendant

Basis for Closed Session: Hornblower Cruises & Event's administrative appeal of the Port's disapproval of Application Nos. 7564-31.5-0 and 7565-33-07 for building permits for the installation of signs on Port property.

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative.*

a. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning & Development
*SF Piers LLC: Tom Hart and Rocky Fried

Under Negotiation: _____ Price _____Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

6. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

7. EXECUTIVE

A. Executive Director's Report
- Warm Water Cove Community Clean Up – August 4, 2007
- Final meeting of Cruise Terminal Advisory Panel - August 8, 2007
- SPUR Brown bag luncheon on the Port's Southern Waterfront Planning Projects - August 16, 2007 at 12 noon, SPUR's office at 312 Sutter Street, San Francisco
- Television Interview with Barbara Taylor – August 30, 2007 at 5:15 p.m.
- 2007 Preservation Design Award from the California Preservation Foundation for the Piers 1½, 3, 5 Project - September 15, 2007 from 5 p.m. to 7:30 p.m. at the Westin St. Francis Hotel
- California Coastal Clean-Up Day - September 15, 2007 from 9 a.m. to 12 noon
- Final Presentation of SPUR's 2007 Piero N. Patri Fellow in Urban Design, on Warm Water Cove - September 25, 2007 at 5:45 p.m. at Pier 1

- SPUR's article "On the Waterfront, Hard Choices at the Port of San Francisco" distributed in August

B. Informational Presentation on proposed new policy for Southern Waterfront Community Benefits and Beautification Projects.

8. CONSENT

A. Request approval of the Port's Revised Annual Operating and Capital Budgets for Fiscal Year 2007-08. (Resolution No. 07-58)

B. Request approval of Fiscal Year 2007-08 Executive Director Salary and Benefits. (Resolution No. 07-59)

C. Request approval of a Memorandum of Understanding No. M-14396 between the Port and the San Francisco Municipal Transportation Agency, for the rental of 30,625 square feet of Pier 17 for the storage of the Motor Coach Reserve Fleet for a term of 36 months. (Resolution No. 07-60)

D. Request authorization to accept and expend $510,000 and $200,000 in grant funds from the California Department of Boating and Waterways (DBW) and the California Coastal Conservancy, respectively, for the Pier 52 Public Boat Launch Project; approval and ratification of the Port's application to DBW for these funds. (Resolution No. 07-61 and 07-62)

E. Request approval of Addendum to Lease No. 13816 with Literacy for Environmental Justice for the construction, maintenance and operation of a Living Classroom Building at Heron's Head Park. (Resolution No. 07-63)

9. ENGINEERING

A. Request approval of Contract Modification to the Illinois Street Intermodal Bridge South Approach Contract No. 2709 with Stacy and Witbeck, Inc, to extend the substantial completion date to November 8, 2007, and to increase the contract amount by an additional amount not to exceed $200,000. (Resolution No. 07- 64)

B. Request approval to enter into contract a with Forell/Elsesser Engineers Inc. for Engineering Consulting and Design Services related to the Pier 35 Substructure Repair Project in an initial amount of $250,000, with a one-year term and option to renew for two additional years. (Resolution No. 07-65)

10. PLANNING & DEVELOPMENT

A. Request approval to execute Sixth Amendment to the Amended and Restated Exclusive Negotiation Agreement with SF Piers LLC for the Piers 27-31 Mixed-Use Recreation Project Extending the Term and Amending the Benchmarks (Site Location: Piers 27-31 on The Embarcadero, between Francisco and Battery Streets). (Resolution No. 07-66)

11. REAL ESTATE

A. Request approval of a Memorandum of Understanding No. M-14383 between the Port and the San Francisco Municipal Transportation Agency for approximately 7,600 square feet of land under Port's jurisdiction for the construction and maintenance of certain improvements along the Islais Creek Shoreline. (Resolution No. 07-67)

B. Request approval of a seven-and-a-half-year Lease No. L-14414 with the Pilara Family Foundation for the rental of 27,311 square feet of Pier 24 Annex. (Resolution No. 07-68)

C. Informational Presentation on the Environmental Risk Management Policy and Financial Assurance Requirements for Real Property Agreements.

12. NEW BUSINESS / AGENDA SETTING

- New Business
- Agenda Setting (Targeted Commission meeting, subject to change)
  - Informational presentation regarding the Memorandum of Understanding between the Port and the Film Commission concerning space availability, pricing and permitting process for FY 2007-08 (September 11, 2007)
  - Informational Report regarding As-Needed Professional Services Contracts, Fourth Quarterly Report Fiscal Year 2006-07 (September 11, 2007)
  - Request approval of Third Amendment to Lease No. L-11451 between the Port and Mission Creek Harbor Association for berthing facility for floating homes located at Mission Creek (September 11, 2007)
  - Request authorization to readvertise for the Demolition and Disposal of Port's Drydock No. 1 (September 11, 2007)
  - Request approval of contract modification to the Illinois Street Bridge Contract No. 2680 with Shimmick Construction Company to extend the contract completion date and to increase the contract amount (September 11, 2007)
  - Request approval of the Street Performers Program for the Fisherman's Wharf area (September 11, 2007)
  - Request approval of Lease No. L-14282 with the San Francisco Bar Pilots Benevolent and Protective Association, a California corporation, for space located at Pier 9 (September 11, 2007)
  - Request approval of resolution adopting the Port's proposal for parks and open space project for the February 2008 General Obligation Bond (September 11, 2007)
  - Informational presentation on Building Occupancy Resumption Program of the Port of San Francisco (September 25, 2007)
  - Informational presentation regarding Municipal Transportation Agency Transit Shelter Agreement to address selection of contractor for maintenance of transit platforms and canopies on Port property (September 25, 2007)
  - Request to award contract for Portwide Utility Mapping Services (September 25, 2007)
  - Request approval of the Environmental Risk Management Policy and Financial Assurance Requirements for Real Property Agreements (September 25, 2007)
  - Request approval of the Policy on Southern Waterfront Community Benefits and Beautification Projects (September 25, 2007)

- Request authorization to issue a Request for Proposals (RFP) for Bulk Marine Terminal at Pier 96 (September 25, 2007)
- Accept recommendations of the Port's Cruise Terminal Advisory Panel (September 25, 2007)
- Request approval of proposal by the San Francisco Public Utilities Commission and Department of the Environment to develop a waste vegetable oil collection program for the City's residents and food service establishments on Port properties located at 1399 Marin Street, Seawall Lot 354, and 701 Amador Street, Seawall Lot 344 (Date to be determined)
- Request Endorsement of Amended and Restated Development Memorandum with SF Piers LLC for the Piers 27-31 Mixed-Use Recreation Project (Site Location: The Embarcadero between Francisco and Battery Streets) (Date to be determined)
- Report of Port Commission Committee regarding Seawall Lot 337 Planning Process (Date to be Determined)
- Request authorization to increase ferry rates at the Port of San Francisco (Date to be determined)
- Request approval of Tri-Party Agreement with Port, The Exploratorium and Baydelta Maritime for lease of space at Pier 17 (Date to be determined)
- Informational presentation regarding the Port's Long-Term Ground Lease Policy (Date to be determined)

13. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

14. COMMUNICATIONS

Communications to the Port Commission received from July 13 to August 9, 2007:

- From Dennis MacKenzie, Round the Diamond, regarding Sports and Public Service Pathways/San Francisco Unified School District Preventive Education & Career Guidance Programs/Piers 27-31 Mixed Use Recreation Project
- From Felicia Bell, Conference of Minority Transportation Officials (COMTO), invitation to the Third Annual Industry Awards Reception on August 16, 2007 at 6 p.m. at Westin St. Francis Hotel in San Francisco
- From Port staff, copy of an article from Organized Labor, entitled "$500 Million Port Development Proposed"
- From the Potrero Boosters Neighborhood Association, copy of their newsletter "The Potrero Community Voice"
- From Port staff, copy of the Monique Moyer's Bay Guardian editorial regarding the Seawall Lot Legislation
- From John Anderson, regarding the redevelopment of Pier 70

- From Port staff, copy of a letter to Honorable Nancy Pelosi regarding San Francisco Landing Facility (Piers 31-33)

15. ADJOURNMENT

AUGUST/SEPTEMBER 2007
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
August 14	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building
September 11	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building
September 25	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406.

The Cruise Terminal Advisory Panel (CTAP) generally meets the second Thursday of the month. Contact John Doll at 274-0639 or john.doll@sfport.com

The Cruise Terminal Environmental Advisory Committee (CTEAC) generally meets quarterly. Date and time to be determined. Contact Michael Nerney @ 274-0416 or michael.nerney@sfport.com

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562 or jay.ach@sfport.com

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Michael Nerney @ 274-0416 or michael.nerney@sfport.com

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Peter Dailey@ 274-0517 or peter.dailey@sfport.com

The Mission Bay Citizens Advisory Committee meets regularly on the second Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tom Evans, Redevelopment Agency, @ 749-2539 or tom.evans@sfgov.org

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Jennifer Sobol @ 274-0548 or jennifer.sobol@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Rincon Point-South Beach Citizens Advisory Committee meets regularly on the third Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tom Evans, Redevelopment Agency, @ 749-2539 or tom.evans@sfgov.org

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the third Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

The Port Permit Appeals Committee meets regularly on the first Thursday of June and December of the year. For further information contact Ed Byrne @ 274-0570 or ed.byrne@sfport.com or Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

ACCESSIBLE MEETING INFORMATION

Ferry Building:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets.
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

Pier 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Wendy Proctor, Port's ADA Coordinator, at 274-0592, the Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Frank Darby by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at sotf@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Darby or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.

NOTICES

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

August 9, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director M Moyer

SUBJECT: Informational Presentation on proposed new policy for Southern Waterfront Community Benefits and Beautification Projects

DIRECTOR'S RECOMMENDATION: INFORMATIONAL ITEM ONLY

The Port of San Francisco ("Port") oversees a broad range of maritime, commercial, and public-access facilities along the waterfront that are held in public trust for the people of the State of California. In doing so, the Port strives to be a good neighbor, embraces environmental stewardship of its lands and attracts visitors to enjoy the shoreline.

The Port works continuously to attract visitors and users to its waterfront. In the past decade, the Port has worked to draw visitors to its southern-most shores. Like many jurisdictions around the world, the Port has found that maritime, commercial and industrial uses can co-exist with recreational and open space uses. Consequently, the Port and its tenants strive to go beyond simply mitigating environmental impacts from maritime, commercial and industrialized uses. We work diligently together to enhance and beautify our facilities and lands for all persons and users.

Background

The Port defines its southern waterfront as the area located from Mariposa Street in the north to India Basin in the south (the "Southern Waterfront"). The Southern Waterfront is home to the Port's industrial maritime operations and a mixture of other users. It is also home to the Pier 66 public access area, Warm Water Cove, Islais Creek, India Basin and Heron's Head Park. The Port is a proud supporter of the Blue Greenway which eventually will link established open spaces, including those areas under Port jurisdiction, over a 13 mile stretch of waterfront. Also within the Southern Waterfront are a number of significant historic resources requiring rehabilitation.

This Print Covers Calendar Item No. 7B

Through this proposed Policy for Southern Waterfront Community Benefits and Beautification Projects (this "Policy") the Port is seeking to integrate our maritime, commercial and industrial uses into our waterfront surroundings and neighborhood community. Each lease, license, permit, operating agreement or memorandum of understanding for activities within the Southern Waterfront shall be subject to consistency with this Policy. Tenants and users are also required to comply with applicable mitigation measures identified in the Southern Waterfront Supplemental Environmental Impact Report or governing environmental certification.

Policy for Southern Waterfront Beautification

In consideration for the use of Port facilities or properties in the Southern Waterfront, the attached draft Policy for Southern Waterfront Community Benefits and Beautification Projects sets beautification measures, community benefits and a rental surcharge to be incorporated into any new, amended or extended leases, licenses, permits, operating agreements or memorandum of understanding. If the Policy is adopted by the Port Commission, such considerations would be included in the Port's standard form leases. Deviation or waiver from such considerations would require approval by the Port Commission.

Next Steps

This policy will be presented for discussion in upcoming community advisory forums. Port staff then intends to return to the Port Commission with a recommendation for approval of the proposed policy and any alterations thereto.

Prepared by: Monique Moyer, Executive Director

PORT OF SAN FRANCISCO

POLICY FOR SOUTHERN WATERFRONT COMMUNITY BENEFITS AND BEAUTIFICATION

AUGUST 2007 DRAFT

The Port of San Francisco ("Port") is a public enterprise dedicated to recreational and maritime use, transportation, public access and commercial and industrial activities on a self-supporting basis through appropriate management, use and development of the waterfront for the benefit of the People of California.

GENERAL PORTWIDE POLICY

It is the general policy of the Port to foster and encourage public use, enjoyment and enlivenment along the San Francisco waterfront. In addition to Port initiatives and operations, public use and enjoyment activities are augmented through maritime and commercial rental activities, private investment and development of Port properties. It is also the general policy of the Port to integrate such uses into our waterfront surroundings and neighborhood community.

OVERVIEW AND CONTENT

This Policy for Southern Waterfront Community Benefits and Beautification Projects (this "Policy") concerns the Port's real property located from Mariposa Street in the north to India Basin in the south. The Southern Waterfront is home to the Port's industrial maritime operations and a mixture of other users. It is also home to the Pier 66 public access area, Warm Water Cove, Islais Creek, Heron's Head Park, India Basin and, eventually, the Blue Greenway. This Policy is intended to ensure that industrial, maritime and commercial uses on Port property are contributors to, rather than detractors from, these assets, our neighbors, community and shoreline.

The Port is committed to maximum utilization of the existing maritime terminal facilities and to attracting visitors to the shoreline. The Southern Waterfront presents a tremendous opportunity to generate beneficial economic and quality of life impacts to the southeast part of the City. To that end, the Port is amenable to inclusion of non-maritime land uses which are compatible with the area. Thus, the Port requires that the following *minimum* measures, benefits and rental surcharge be included in the terms of any new, amended or extended leases, licenses, permits, operating agreements or memorandums of understanding (together, "Leases").

COMMUNITY BENEFITS AND BEAUTIFICATION MEASURES

The Port seeks the following beautification measures and community benefits in consideration for the use of its facilities or properties in the Southern Waterfront:

1. Beautification, greening and maintenance of any outer edges of and entrances to the site or premises under the Lease

2. Creation and implementation of a Community Outreach and Good Neighbor Policy to guide Lessee's interaction with the Port, its neighbors, visitors and users

3. Use, as needed, or support of job training and placement organizations serving southeast San Francisco

4. Commitment to engage in operational practices that are sensitive to the environment and the neighboring community by reducing engine emissions consistent with the City's Clean Air Program, and use of machines at the site that are low-emission diesel equipment and utilize biodiesel or other reduced particulate emission fuels

5. Employment of a large percentage of the managers and staff at the site who live in the local neighborhood or community

6. Use, as needed, of Local Truckers; for purposes of this Policy, "Local Truckers" means those truckers that are certified by the San Francisco Human Rights Commission as a "Local Business enterprise" pursuant to the City's Local Business Enterprise and Non-Discrimination Ordinance

7. Use, as needed, of Local Businesses; for purposes of this Policy, "Local Businesses" means those businesses that are located within the Potrero Hill and Bayview Hunters Point Neighborhoods. Local businesses may include, but are not be limited to contractors, printers and service providers

RENTAL SURCHARGE

This Policy requires persons with agreements for the lease or use of Port property to pay the following rental surcharge in consideration for the use of the Port's facilities or properties in the Southern Waterfront:

a. Payment of a one-time Beautification Fee equal to $0.05 per square foot of the defined premises under the Lease multiplied by the term, in years, of the Lease

Funds derived from such rental surcharges will be applied by the Port to any or all of the following Southern Waterfront beautification projects:

1. **Open Space**: As outlined in the Waterfront Land Use Plan, the provision of open spaces is a high priority for the Port, especially within the Southern Waterfront. Rental surcharge revenues may be applied to any of the Port's existing open spaces, as listed above, reclaimed beaches, new parks (such as "Crane Cove Park" or the Blue Greenway) or various streetscape and landscape greenway improvements along Cargo Way to connect Third Street with Heron's Head Park and India Basin shoreline open spaces.

2. **Wetland Restoration:** The restoration of wetlands is a high priority for the Port. Rental surcharge revenues may be applied to the maintenance or enhancement of existing Port wetlands, such as the Pier 94 Wetlands, or creation of new wetlands within the boundaries of the Southern Waterfront.

3. **Pier Removal:** As outlined in the Waterfront Land Use Plan and BCDC Special Area Plan, removal of certain designated piers and pier sheds is desirable and would further public trust objectives by providing new open water and views of the San Francisco Bay. Piers and piles have deteriorated all throughout the Southern Waterfront. Many of the piers, such as Pier 64, are no longer serviceable and require removal. Rental surcharge revenues may be applied to such pier removal.

4. **Public Art:** Support or sponsor temporary or permanent art installation(s), consistent with Mayor Newsom's Blue Greenway Task Force recommendations, and applicable procedures for reviewing public art proposals. Specific sites for art were identified in the task force report and are located within existing Southern Waterfront open spaces.

5. **Historic Preservation:** As outlined in the Waterfront Land Use Plan, preservation of Pier 70 and other historic resources is a high priority for the Port. Rental surcharge revenues may be applied to repairs, mothballing or other preservation efforts, consistent with ongoing Pier 70 and other Southern Waterfront planning efforts by the Port.

IMPACT OF POLICY OF REQUEST FOR PROPOSALS SOLICITATION

Whenever the Port Commission issues a Request for Proposals ("RFP") for a specific lease, development, rehabilitation or use of its real property, the Port Commission will include whichever criteria it deems appropriate to meet its goals for a specific site, lease, development or use. Such criteria may include some, but not all, of the considerations contained in this Policy. Such criteria may also include considerations not contained within this Policy. The Port Commission shall make an independent determination of the appropriate criteria at the time of issuance of the RFP.

IMPACT ON POLICY OF EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT

Whenever the Port Commission executes an Exclusive Right to Negotiate agreement ("ENA") for a specific lease, development, rehabilitation or use of its real property, the Port Commission will include whichever criteria it deems appropriate to meet its goals for a specific site, lease, development or use. Such criteria may include some, but not all, of the considerations contained in this Policy. Such criteria may also include considerations not contained within this Policy. The Port Commission shall make an independent determination of the appropriate criteria at the time of execution of the ENA.

PORT OF SAN FRANCISCO

MEMORANDUM

August 9, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Anne Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong, Commissioner
Hon. Michael Hardeman, Commissioner
Hon. Stephanie Shakofsky, Commissioner

FROM: Monique Moyer
Executive Director

SUBJECT: Request Approval of the Port's Revised Annual Operating and Capital Budgets for Fiscal Year 2007-08

DIRECTOR'S RECOMMENDATION: APPROVE THE REVISED ANNUAL OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2007-08

The purpose of this item is to request Commission approval of the Port's proposed Fiscal Year 2007-08 operating and capital budgets that have changed since the Port Commission reviewed and approved them on February based on the Mayor's Office and Board of Supervisors' review of the Port's budget as well as changes proposed by Port staff. Each of the material changes are discussed separately below.

THIS PRINT COVERS CALENDAR ITEM NO. 8A

The proposed Fiscal Year 2007-08 Overall Budget approved by the Port Commission in February 2006 and that approved by the Mayor and Board of Supervisors Budget Committee is summarized as follows:

	Budget FY 2007-08 Commission Approved	Budget FY 2007-08 Mayor & BOS Approved	Increase / Decrease Amount	Percent
Sources				
Estimated Fund Balance	$14,326,174	$14,326,174	0	0%
Revenue	61,197,550	61,607,550	$410,000	0.70%
Total Sources	$75,523,724	$75,933,724	$410,000	0.50%
Uses				
Operating Expense	$59,764,802	$59,935,788	$170,986	0.29%
Capital Appropriations	7,742,800	7,942,800	200,000	2.60%
Operating Reserve	8,016,122	8,055,136	$39,014	.49%
Total Uses	$75,523,724	$75,933,724	$410,000	0.54%
Operating Reserve as a Percent of Operating Expenses	13%	13%		

As described above, since February 2007, the Port's operating budget has increased by $170,986 or 0.29%, the capital budget has increased by $200,000 or 2.6%, and the Port's operating reserve has increased by $39,014 or .49%.

Each of the substantive changes to the Port's FY 2007-08 budget since the Commission approved it in February 2007 is described in more detail below.

Revenue

The proposed revenue budget of $61.6 million for FY 2007-08 is $410,000 greater than the Port Commission approved in February 2007. The $410,000 represents projected revenues associated with the increased parking fine revenues that will result from the new MOU with the Municipal Transportation Agency (MTA)[1] regarding issuing parking fines on Port property and allocating parking fine revenues to the Port.

[1] Approved by the Port Commission at its June 12, 2007 meeting.

Expense

The proposed FY 2007-08 expense budget of approximately $59,935,788 is a $170,986 increase, or less than one percent than that approved by the Port Commission in February 2007. The expense items that changed between February 2007 when the Commission approved the budget and that approved by the Mayor and the Board of Supervisors Budget Committee is as follows:

	Budget FY 07-08 Commission Approved	Budget FY 07-08 Mayor and BOS Proposed Budget	Increase / Decrease Amount	Percent
Salaries & Benefits	$27,418,973	$26,509,184	($809,789)	-3%
City-wide Overhead	89,063	335,290	246,227	276%
Other Current Expenses	8,262,789	8,247,789	85,000	1%
Materials & Supplies	1,281,908	1,294,895	12,987	1%
Capital Outlay	1,087,687	936,572	(151,115)	-14%
Facilities Maintenance	3,586,018	3,929,268	343,250	10%
Fire Protection	2,525,804	2,524,287	(1,517)	-.06
ADM – Insurance	1,997,944	2,020,035	22,091	.01
PUC - Light, Heat & Power	1,432,409	1,391,692	(40,717)	-3%
All Other Departments	2,805,904	3,221,784	415,880	15%
Revenue Transfer Out - DPT	407,491	556,180	148,689	36%
Indepartmental Recovery	-104,325	-204,325	-100,000	96%
Total	$50,791,655	$50,762,651	$170,986	

The major changes since February 2007 are in Salaries and Fringe Benefits, City-wide Overhead, Other Current Expenses which includes Entertainment and Promotion, Professional Services, and Maintenance Services, Capital Outlay, Facilities Maintenance, PUC – Light, Heat and Power, All Other Departments, Revenue Transfer Out – DPT, and Interdepartmental Recovery. Each of these is described in more detail below.

- Salaries and mandatory fringe benefits decreased by $809,789 or 3% most of which is largely due to a revised cost estimate for health insurance. In addition, the Budget Committee cut $92,495 from the Port's Salary and Mandatory Fringe Benefit budgets to reflect actual salaries of Port employees in FY 2007-08.

- The Port's share of City-wide Overhead or "COWCAP" has increased by $246,227 or 276% to a total of $335,290 since Port Commission approval in February 2007 primarily due to the Controller's Office including $247,227 in COWCAP for City Attorney costs that Port staff had understood were not eligible to be included in COWCAP.

- Other Current Expenses – The Budget Committee cut a total of $35,000 from Professional Services based on the Port's FY 2006-07 actual expenditures. However, the full Board of

Supervisors added back $100,000 to the Port's Professional Services budget to fund a study of the market and therefore the projected revenues for special event uses of a potential cruise terminal at Pier 27. The remaining $20,000 represents small adjustments to other sub-objects in the Other Current Expenses category.

- Facilities Maintenance increased by $343,250 as a result of the Port adding (1) $250,000 for the Port staff and consultant costs required to support the BART Retrofit Project and (2) $150,000 for the Sewer System Management Program that is required by a regulatory mandate addressing the management of local sewer systems. Port staff realized they needed to add these two projects after the Port Commission approved the budget in February. In addition, the Budget Committee cut $56,750 from various Facilities Maintenance budgets based on FY 2006-07 actual expenditures. As a result, the net increase for Facilities Maintenance projects is $343,250.

- The Budget Committee cut $129,128 from the Port's Capital Outlay budget to reflect quoted vendor prices for heavy equipment such as trucks in the Maintenance Division's budget.

- The PUC – Light, Heat and Power budget decreased by $40,717 based on new estimates provided by the Public Utilities Commission staff.

- Payment to All Other Departments has increased by $415,880 or 15% primarily due to an addition of $351,425 to fund part of the Department of Public Works' costs to clean and maintain the Embarcadero Roadway. For over ten years, DPW had been receiving supplemental funding to help maintain the Embarcadero Roadway through the City's ½ Cent Sales tax program administered by the Transportation Authority. However, that funding has been decreasing annually such that the City has asked the Port to contribute to continue the same level of maintenance. The $351,425 contribution represents 40% of DPW's total costs of $880,000 to maintain the Embarcadero Roadway including daily street sweeping and tree maintenance. The remaining $64,455 is related to miscellaneous small adjustments to the Port's other work-orders to City departments. Port staff reviewed these assessments and finds them appropriate.

- The $148,689 increase to Revenue Transfer Out – DPT (Department of Parking and Traffic) reflects the new MOU with the Municipal Transit Agency (MTA) related to Parking Control Officer services to the Port. This cost increase is off-set by the additional $410,000 in increased Parking Fine revenues.

- The $100,000 increase in Interdepartmental Recoveries is related to work the PUC requested the Port's Maintenance Division to perform in FY 2007-08 that is estimated to cost $100,000.

Staffing Changes Proposed in the Port's FY 2007-08 Budget

Neither the Mayor's Office nor the Board's Budget Committee made staffing changes in the Port's FY 2007-08 budget.

Capital Budget Changes

The capital budget has increased by $1,870,000 since February for the following projects:

Roof Replacement Project Replace and repair the roofs at Pier 33	$1,670,000
Illinois Street Bridge	200,000

As discussed in a previous staff report authorizing the award of the Pier 33 roof replacement project, the Pier 33 roof replacement project required an additional $1,670,000 to award the construction contract. To fund that $1,670,000 Port staff added $1,670,000 to the Port's FY 2007-08 Capital Budget and reduced the Pier 48 Roof Replacement project funded in FY 2006-07 by $1,670,000. To address the roofs at Pier 48, Port Maintenance staff will continue to make small repairs to the Pier 48 roofs for a few more years. At that time, there may be a development project at Seawall Lot 337 that includes Pier 48 and would therefore include major repairs to Pier 48's roofs or the Port will appropriate funds in a future capital budget to replace Pier 48's roofs.

The Board of Supervisors added back $200,000 for the Illinois Street Bridget project at staff's request in anticipation of change orders staff have been negotiating with the contractor for the Illinois Street Bridge South Approach project.

Summary

As noted above, while there were significant changes in various line items, the Port's FY 2007-08 operating budget as approved by the Mayor and Board of Supervisors is $170,986 or 0.29 percent more than that approved by the Port Commission and the operating revenues are $410,000 more than the Port Commission approved in February 2007. The FY 2007-08 Capital Budget is $200,000 more than the Port Commission approved in FY 2007-08 and the Operating Reserve increased by $39,014. Thus, the Port's final FY 2007-08 overall budget is substantially the same as that approved by the Port Commission in February 2007 and it provides the Port a larger fund balance than originally anticipated. Thus, Port staff recommends that the Commission adopt the revised annual operating and capital budgets.

Prepared by: Tina Olson, Deputy Director, Finance and Administration

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-58

WHEREAS, Port Commission staff has developed proposed Fiscal Year 2007-08 Operating and Capital Budgets; and

WHEREAS, The proposed Operating Budget includes projected revenues of $61,607,550; and

WHEREAS, The proposed Operating Budget includes projected expenses of $59,935,788; and

WHEREAS, The proposed Capital Budget is $7,942,800; and

WHEREAS, The proposed Operating Reserve is $8,055,136; and

WHEREAS, The Mayor and the Board of Supervisors Budget Committee approved the Port's FY 2007-08 Operating and Capital Budgets; now therefore, be it

RESOLVED, That the Port Commission hereby approves the revised Fiscal Year 2007-08 Operating and Capital Budgets as presented by staff.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 14, 2007.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 7, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique A. Moyer
Executive Director MMoyer

SUBJECT: Request Approval of Fiscal Year 2007-08 Executive Director Salary and Benefits

DIRECTOR'S RECOMMENDATION: Approve the Fiscal Year 2007-08 Compensation for the Executive Director

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Charter Section B3.581(h) grants the Port Commission the exclusive authority to set the compensation of the Port Executive Director. The Charter provides that the Director's compensation shall not exceed the prevailing salaries paid to those holding similar positions in comparable maritime employment.

Staff conducted a survey of the salaries of Port Directors in the eight major West Coast ports. Of the eight seaports surveyed, three have authority over both the seaport and the airport. The remaining five ports have jurisdiction over the seaport only. For the latter group, the average annual salary is $237,336. A listing of such salaries is attached hereto.

As has been its practice, staff also surveyed the salaries paid to the directors of other enterprise departments and similar departments of the City and County of San Francisco, including the Airport, Public Utilities Commission, Department of Public Works, Health Department and the Department of Transportation. The average salary of those directors is $261,085. A listing of such salaries is attached hereto.

Further, each of those directors is provided with a City vehicle and free parking. The Port's Executive Director declined the use of a Port vehicle. That vehicle was surplused and the proceeds were returned to the Port in August 2004. Additionally, commencing August 1, 2005, the Port's Executive Director has paid, on a monthly basis, for parking at the Port for her private vehicle.

This Print Covers Calendar Item No. 8B

Because of the Charter provision stating that the Port Director's salary is set by the Port Commission, the Port Executive Director is subject neither to collective bargaining nor representation by an employee organization. Nearly all other department heads and the Mayor are represented by the Municipal Executives Association (MEA) and have their salaries set through the collective bargaining process.

The Port Commission's past practice has been to set the benefits and working conditions of the Port Executive Director in accordance with the benefits and working conditions provided in the collective bargaining agreement between the City and County of San Francisco and MEA.

For Fiscal Year 2007-08, managers represented by MEA will receive one salary increase. On June 28, 2008, salaries will increase by an additional 2%. If the Port Executive Director's salary is increased at the same rate as that of employees represented by MEA, her salary would increase incrementally as indicated above to $236,269 on June 28, 2008. The total base salary that would be paid in Fiscal Year 2007-08 remains essentially unchanged from the current salary of $231,637. This salary does not exceed the average annual salary currently paid to Port Directors in other West Coast ports and conforms to the requirements of Charter Section B8.3581. Despite the scheduled increase for MEA employees on June 28, 2008, the Port Executive Director has determined not to seek an increase in her salary in FY 2007-08.

It is recommended, therefore, that the salary and benefits for the Port Executive Director be set again this year in accordance with the salary and benefits adopted by the Port Commission for FY 2007-08 pursuant to the terms of the collective bargaining agreement between the executive management bargaining group represented by the Municipal Executives Association. The proposed salary conforms to the salary setting parameters set in Charter Section B3.581.

Prepared by: Lavena Holmes-Williams
Human Resources Manager
Finance & Administration

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-59

WHEREAS, Section B3.581(h) of the Charter grants the Port Commission the exclusive authority to set the compensation (salary and benefits) of the Port Executive Director; and

WHEREAS, Section B3.581(h) of the Charter provides that the compensation of the Port Director shall not exceed prevailing salaries paid to those holding similar positions in comparable maritime employment; and

WHEREAS, a survey of salaries paid to Port Directors in the major west coast seaports indicated that the current average compensation is $237,336; and

WHEREAS, a survey of City department heads in similar enterprise departments indicated that the average salary as of July 1, 2007 is $261,085, with an increase of two percent on June 28, 2008; and

WHEREAS, it has been the practice of the Port Commission to establish benefits and working conditions for the Port Director in accordance with the benefits and working conditions provided in the collective bargaining agreement between the City and the Municipal Executives Association; now, therefore be it

RESOLVED, that the salary of the Port Executive Director for Fiscal Year 2007-08 remains at the level of compensation as of June 30, 2007; and, be it further

RESOLVED, that the benefits and working conditions provided to the Port Executive Director in Fiscal Year 2007-08 will be the same as those provided to employees represented by the Municipal Executives Association in Fiscal Year 2007-08.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 14, 2007.

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Secretary

PORT DIRECTOR SALARY SURVEY
JUNE 2007

PORT	SEA/AIR	CURRENT SALARY	EFFECTIVE DATE	INCREASE FROM PREV REVIEW	EMPLOYEES	TOTAL GROSS REVENUE
Long Beach	Sea	$ 244,576	1/1/2007	12%	346	$ 476,644,000
Los Angeles	Sea	$ 267,500	3/23/2007	14%	821	$ 412,100,000
Oakland*	Sea/Air	$ 314,500	2/1/2007	31%	559	$ 267,000,000
Portland	Sea/Air	$ 259,146	8/31/2006	5%	756	$ 313,000,000
San Diego	Sea	$ 232,606	10/1/2005	none	610	$ 144,000,000
Seattle	Sea/Air	$ 310,000	3/1/2007	13%	1600	$ 534,559,000
Stockton**	Sea	$ 242,000	7/1/2006	none	100	$ 26,074,864
Tacoma	Sea	$ 200,000	1/1/2006	n/a	250	$ 102,480,170
Total		2,070,328				
Average-All Ports		$ 258,791		9%		
Average-Seaport only		**$ 237,336**				
San Francisco	Sea	$ 231,637	12/30/2006		229	$ 65,359,000
				(From Hood & Strong Independent Audit Rpt 2005-06)		

*Port of Oakland salary includes $15,500 in deferred compensation and up to $69,000 in eligible bonuses

**Port of Stockton salary includes $45,000 in annual salary bonus

CITY AND COUNTY OF SAN FRANCISCO DEPARTMENT HEADS	CURRENT SALARY
Director, PUC	$ 251,166
Director, Airport	$ 280,540
Gen Mgr, MUNI	$ 298,000
Dir, General Services	$ 220,419
Director of Health	$ 255,302
Average	**$ 261,085**
Port Director	$ 231,637

PORT DIRECTOR SALARY IF PORT COMMISSION GRANTS MEA SALARY AND BENEFITS	
6/27/2008	236,270
12/27/2008	243,358

PORT OF SAN FRANCISCO

MEMORANDUM

August 7, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Rodney Fong
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval of a Memorandum of Understanding No. M-14396 with the Municipal Transportation Agency for the Rental of 30,625 square feet of Pier 17 for the storage of Motor Coach Reserve Fleet for a term of 36 months.

DIRECTOR'S RECOMMENDATION: Approve Memorandum of Understanding

I. Background

The Port of San Francisco controls Pier 17 located in the Northern Waterfront. Pier 17 is part of a two-pier complex comprising Piers 15 and 17 both of which front The Embarcadero. The pier complex is approximately 180,000 square feet.

Since December 2004, the Municipal Transportation Agency ("MTA") has rented approximately 59,393 square feet of Pier 15 where it conducts motor coach assembly.

The MTA now requires additional space for the storage of 45 Reserve Fleet motor coaches that are used for special events and in cases of emergencies. The MTA and the Port have agreed on certain business terms and conditions for the rental of approximately 30,625 square feet of Pier 17. These terms and conditions have been memorialized in the Memorandum of Understanding, M-14396 before the Port Commission for approval.

II. Proposed Terms

Term: Thirty Six (36) months.

THIS PRINT COVERS CALENDAR ITEM NO. 8C

Premises:	Approximately 30,625.
Use:	Storage of 45 Reserve Fleet motor coaches and no other purpose.
Effective:	September 1, 2007 through August 31, 2010.
Use Fee:	$257,725.00 annually or $0.70 per square foot per month consistent with the FY 2007-08 Rental Rate Schedule.
Use Fee Adjustment:	3% annual increase.
Maintenance:	The Port is responsible for roof, substructure, and overhead lights. The MTA is responsible for any improvement within its premises.
Utilities:	Solely the responsibility of the MTA.

III. Recommendation

Port staff recommends that the Port Commission approve the Memorandum of Understanding between the Port of San Francisco and the Municipal Transportation Agency for the rental of approximately 30,625 square feet of Pier 17. Staff further recommends that the Port Commission authorize the Executive Director of the Port, or her designee, to forward same Port Commission approved MOU to the MTA for approval by its Commission at their August 21, 2007 meeting. Following said approval by the MTA Commission, Port staff further recommends that the Port Commission authorize the Executive Director of the Port, or her designee to execute the same on behalf of the Port in such form as is approved by the City Attorney. Upon approval, the MOU will allow the MTA to enter Pier 17 under the terms and conditions of the MOU.

Prepared by: Jeffrey A. Bauer, Senior Leasing Manager

PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-60

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, under Charter Section 3.581(g), leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, the Municipal Transportation Agency ("MTA") requires a facility for the storage of 45 reserve fleet motor coaches used for special events and in cases of emergency; and

WHEREAS, Port is willing, and the MTA has agreed, to rent approximately 30,625 square feet of Pier 17 for a term of 36 months pursuant to the terms and conditions memorialized in a Memorandum of Understanding No. M-14396; and

WHEREAS, following the approval of the Port Commission on August 14, 2007, said MOU will be forwarded to the MTA for approval at its August 21, 2007 meeting; and

RESOLVED, that the San Francisco Port Commission hereby approves the Memorandum of Understanding with the Municipal Transportation Agency No. 14396 for approximately 30,625 square feet Pier 17 under the jurisdiction of the Port on terms and conditions outlined in the memorandum to the Port Commission for Agenda Item 8C of the Port Commission Meeting on August 14, 2007, and the Port Commission authorizes the Executive Director of the Port, or her designee, to forward said Port Commission approved MOU to the MTA for approval by its Commission at their August 21, 2007 meeting. Following said approval by the MTA Commission the Port Commission authorizes the Executive Director of the Port, or her designee, to execute the same on behalf of the Port in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 14, 2007.

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Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 10, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique A. Moyer
Executive Director

SUBJECT: Authorization to accept and expend $510,000 and $200,000 in grant funds from the California Department of Boating and Waterways (DBW) and the California Coastal Conservancy, respectively, for the Pier 52 Public Boat Launch Project; approval and ratification of the Port's application to DBW for these funds (Resolution Nos. 07-61 & 07-62)

DIRECTOR'S RECOMMENDATION: Adopt Resolutions

Background

The Port of San Francisco and the boating community have been working for the last 15 years on developing a Public Boat Launch adjacent to Pier 52 on Terry Francois Boulevard to replace the existing deteriorated facility. Starting with an initial grant of $300,000 from the California Department of Boating and Waterways (DBW), the Port and community have worked together to secure additional funding for a total amount of $1,516,000 for the construction of Pier 52/54 Public Boat Launch and Support Facilities Project. The project was delayed for a number of reasons, including changes to the Mission Bay Redevelopment Plan and insufficient funding for the original design concept.

In April 2002, the Port Commission approved advertisement of the construction of the Pier 52 Parking Lot, the first phase of the project. The Pier 52 Parking Lot construction was completed in June 2006. The Pier 52 Parking Lot provides 40 parking spaces for vehicles and trailers as required from DBW.

In July 2006, the Port hired an as-needed consultant, Creegan & D'Angelo Engineers, to prepare the boat launch detailed design, the second phase of project. The engineer's estimate provided by the Creegan & D'Angelo, project design engineers for this project, was $1,900,000. However,

This Print Covers Calendar Item No. 8D

the lowest responsive bidder came in significantly higher than the engineer's estimate, creating a funding gap of $590,225.

Recognizing that a funding gap existed, the Port contacted several potential funding sources to determine if additional funding for the project would be appropriated. The Port had previously applied for a DBW grant for an additional $510,000 for the final phase of the Pier 52 Boat Launch project for shoreline improvements directly adjacent to the launch facility. In addition, the Port contacted the Coastal Conservancy to see if any public access funds could be secured for this public facility.

DBW informed the Port that the Port's grant application for $510,000 was selected and forwarded by DBW staff for their Commission's approval. Upon receiving bids for the launch ramp facility and determining that there existed a funding gap, the Port approached DBW about a reallocation of a portion of the shoreline improvement grant funds for the launch ramp project. DBW staff will recommend to its Commission that some of the program funds be reallocated to complete the Launch Ramp component of the project.

The Coastal Conservancy recognized the importance of the Boat Launch project and determined that a grant in the amount of $200,000 would allow the Port to close the funding gap, complete the project and would be used to leverage other funding sources already identified.

It is anticipated that a portion of the $510,000 DBW grant will be used for the final phase of the Boat Launch Ramp and ancillary facilities in combination with existing Port resources. The final phase includes the shoreline improvements, landscaping and furnishings.

Funding

The following briefly outlines the various funding sources for the Pier 52 Boat Launch project:

Funding Source	**Funding**
CPO 114-Grant from California Department of Boating and Waterways	$1,270,723
CPO 682-Pier 52/54 Public Boat Launch	$ 483,000
CPO 741 Pier Repair Fund	$ 26,502
Department of Boating and Waterways Grant	$ 510,000
California Coastal Commission Grant	$ 200,000
Total	**$2,490,225**

Environmental Review

The City and County of San Francisco, acting as lead agency for purposes of the California Environmental Quality Act review of the proposed boat launch facility, adopted a Negative Declaration on September 12, 1995, finding that there was no substantial evidence that the project could have a significant effect on the environment. The project scope at that time included redesign and reconstruction of the existing boat launch ramp; construction of a small building for food service sales and fishing supplies; a new deck; a gangplank to serve a floating dock; and a parking lot to accommodate vehicles with trailers.

Subsequently, the project was modified to include new off-street parking, a larger boat ramp, a smaller bait/coffee shop, and reconfigured public access area. In July 1996, the City's Office of Environmental Review reevaluated the Negative Declaration in light of these proposed modifications, and determined that they would not result in a substantial change in the environmental effects of the project.

The project was revised again in 1997, so that the existing boat launch would remain instead of being removed, and a new 2-lane launch would be built next to it. Leaving in place the existing ramp meant in turn that some of the modifications to the public access area and shoreline protection would not be needed. The parking lot would be located 500 feet south of the proposed plan, but would be the same size as originally proposed (20 oversized spaces). New trip generation to the site as a result of the proposed revisions would not change, and there would be no additional bay fill.

An Addendum to the Negative Declaration was filed on February 17, 1998, chronicling the modifications to the plan. The City concluded that no further environmental review was necessary, given the minor nature of the changes and the lack of evidence of significant environment effects as a result of these changes.

Regulatory Approvals

The Port of San Francisco applied for and received the necessary regulatory permits required to construct the Pier 52 Public Boat Launch and ancillary facilities. The permits include a San Francisco Bay Conservation and Development Commision Permit 7-96 and an Army Corps of Engineer Permit Number 22721S. Additionally, the San Francisco Bay Regional Water Quality Control Board approved the issuance of a waiver of waste water discharge requirements for the project.

Schedule

The project is scheduled to start in August 2007 with substantial completion expected by February 2008. The grant agency (Cal Boating) has established a deadline to finish the project by December 31, 2007. However, Port Staff has received an indication from Cal Boating that if significant construction progress is made by December of 2007, they would extend the completion date as required.

Following is the anticipated project schedule:

Commission Authorization to Award	June 12, 2007
Issuance of Notice to Proceed	August 2007
Construction Substantial Completion	January 2008
Final Completion	February 2008

Port Commission Action

Port staff seek authorization to accept and expend $510,000 and $200,000 in grant funds from DBW and the CCC, respectively, for the Pier 52 Public Boat Launch Project, as well as ratification of the Port's application to DBW for these funds.

Prepared by: David Beaupre, Senior Waterfront Planner
Daley Dunham, Principal Administrative Analyst

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 07-61

WHEREAS, the Pier 52 /54 Public Boat Launch Facility would add improvements to public boat launch facilities currently under construction there (the "Project"); and

WHEREAS, the California Department of Boating and Waterways ("DBW") has requested eligible transportation project sponsors to submit applications nominating projects to be programmed for public boating access improvements; and

WHEREAS, in September, 2007 it is anticipated that the DBW will award the Port of San Francisco $510,000 for public boat launch project; and

WHEREAS, this award would provide the funds needed to fill the funding gap for construction of the boat launch; now, therefore, be it

RESOLVED, the Port Commission has reviewed the Final Negative Declaration, dated August 11, 1995 and, pursuant to Section 15162 of the CEQA Guidelines, finds that there has been no substantial change in the Project that would involve any new significant environmental effects or substantial increase in previously identified environmental effects; no substantial change in circumstances under which the Project is being developed that require revisions to the Final Negative Declaration; and no new information of substantial importance that was not previously known and accounted for in the Final Negative Declaration regarding significant effects or mitigation measures; and be it further

RESOLVED, that there is no pending or threatened litigation which might in any way adversely affect the proposed Project, or the ability of the Port of San Francisco to deliver such Project; and be it further

RESOLVED, that the Port Commission authorizes its Executive Director or her designee to execute and file an application with DBW for grant funds for purposes and amount included in the project application attached to this resolution; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director to accept and expend DBW funds, and to conduct all negotiations, execute and submit all documents, including, but not limited to, applications, agreements, amendments, augmentations, extensions, payment requests and other documents, which may be necessary to secure the aforementioned grant funds, including if appropriate, an agreement to indemnify the State for liability associated with the Project, to the extent approved by the City' Risk Manager and the City Attorney's Office.

I hereby authorize that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 14, 2007.

_____
Secretary

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 07-62

WHEREAS, the Pier 52 /54 Public Boat Launch Facility would add improvements to public boat launch facilities currently under construction there (the "Project"); and

WHEREAS, the California Coastal Conservancy ("CCC") seeks to fund projects that preserve, protect, and restore the resources of the California coast; and

WHEREAS, in September, 2007 the CCC will award the Port of San Francisco $200,000 for public boat launch project; and

WHEREAS, this award would provide the funds needed to fill the funding gap for construction of the boat launch; now, therefore, be it

RESOLVED, the Port Commission has reviewed the Final Negative Declaration, dated August 11, 1995 and, pursuant to Section 15162 of the CEQA Guidelines, finds that there has been no substantial change in the Project that would involve any new significant environmental effects or substantial increase in previously identified environmental effects; no substantial change in circumstances under which the Project is being developed that require revisions to the Final Negative Declaration; and no new information of substantial importance that was not previously known and accounted for in the Final Negative Declaration regarding significant effects or mitigation measures; and be it further

RESOLVED, that there is no pending or threatened litigation which might in any way adversely affect the proposed Project, or the ability of the Port of San Francisco to deliver such Project; and be it further

RESOLVED, that the Port Commission authorizes its Executive Director or her designee to execute and file an application with CCC for grant funds for purposes and amount included in the project application attached to this resolution; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director to accept and expend CCC funds, and to conduct all negotiations, execute and submit all documents, including, but not limited to, applications, agreements, amendments, augmentations, extensions, payment requests and other documents, which may be necessary to secure the aforementioned grant funds, including if appropriate, an agreement to indemnify the State for liability associated with the Project, to the extent approved by the City' Risk Manager and the City Attorney's Office.

I hereby authorize that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 14, 2007.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 8, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Approval of Addendum to Lease No. 13816 with Literacy for Environmental Justice for the Construction, Maintenance and Operation of a Living Classroom Building at Heron's Head Park.

DIRECTOR'S RECOMMENDATION: Approve Resolution

BACKGROUND

In 1998, the Port constructed Heron's Head Park (HHP) on the formerly undeveloped Pier 98 as part of settlement of a Bay Conservation and Development Commission enforcement order. The park includes approximately eight acres of wetland habitat, and 14 acres of upland open-space with trails, picnic area, interpretive signs, and a fishing pier. Community participation has been an important part of Heron's Head Park since its inception. The Port has sought to actively promote community involvement at the park and to help schools, community members, and environmental organizations take advantage of the hands-on educational experience that Heron's Head Park offers. Literacy for Environmental Justice (LEJ), a community-based non-profit organization dedicated to providing environmental education programs to schools and youth groups in the Bayview-Hunters Point community, has conducted education and community/volunteer programs at Heron's Head Park under contract with the Port since 1999.

In 2001, LEJ applied for and received a grant of $898,000 from the City and County of San Francisco Department of the Environment (DOE) to construct the "Living Classroom" at Heron's Head Park. In 2003, LEJ applied for and received an additional $400,000 in grant funding from the California State Coastal Conservancy (CCC) to support construction of the Living Classroom. The Classroom will consist of a one-story, 1,425 square foot building with solar power and wastewater treatment. It will be certified as a LEED ("Leader in Energy and

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Environmental Design") structure. The "Living Classroom" will house the Heron's Head Park programs and other environmental and health education programs, and will be available for certain other educational and community functions.

In January 2001, the Port Commission approved Resolution No. 01-02 supporting LEJ's grant application and authorizing Port staff to negotiate agreements with LEJ as needed to construct the Living Classroom. In October 2002, the Port Commission heard an informational progress report, including the presentation of the schematic design and the Port's role in project implementation. In 2005, the Port Commission approved Resolution No. 05-64 authorizing the lease with LEJ for construction and operation of the Living Classroom. Since 2005, LEJ has been working to complete its construction plans, resolve potential permitting issues associated with building design and construction, select and negotiate construction contracts with a general contractor and solar power installer, and secure all insurance and bonds required of the contractors and the tenant. To date, the Port has not executed the lease because LEJ has been unable to meet one of the conditions precedent to lease execution: the requirement to obtain a "Materialman's Completion Bond".

During the course of LEJ's efforts to secure all of the required bonds and insurance, it was determined by LEJ and Port staff that the Materialman's Completion Bond that LEJ is required by the lease to obtain is not commercially available for this project because LEJ is a small non-profit organization with limited assets or revenue. To address this problem, Port staff proposes to revise the commencement, insurance, and termination provisions of the lease, and the Work Letter (Exhibit G to the lease) as described below. These revisions are designed to mitigate the risks that the completion bond would cover and provide the Port with assurance that LEJ will have the resources to complete the project in accordance with the lease terms, or, in the event that LEJ does not have and cannot secure sufficient resources, the Port will have the right to terminate the lease and use the fees and deposits that the Port currently holds for any purpose, potentially including completion of the project, or removal of any partial construction and restoration of the site. The lease was previously approved by the Board of Supervisors and, upon Port Commission approval, the proposed addendum to Lease No. 13816 will be subject to Board of Supervisors approval.

PROPOSED REVISION TO TERMS OF LEASE NO. 13816

Commencement Date: Section 1.2 of the lease will be revised to make effectiveness of the lease conditioned upon receipt of performance bonds as described below.

Insurance: Section 18.1 of the lease will be revised to require that LEJ's contractors will each obtain a payment (labor and materials) bond and performance bond in a form acceptable to Port and in an amount of at least (100%) of the value of the contract awarded to each contractor. These bonds will serve to ensure the Port against any liability for mechanics' and materialmen's liens, stop notices and to ensure completion of the work.

Termination: In the event that unforeseen conditions cause construction costs to exceed available funding, including the construction contingency, and LEJ is unable to secure the additional funding within 90 days, the Port has the right to terminate the lease. In such case, the Port would have the right to retain the $68,000 in deposit and fees from LEJ.

Work Letter: The Work Letter (Exhibit G to the lease) will be revised to require that, LEJ, prior to beginning construction and at its sole expense, will hire a Third-Party Fund Administrator (TPA). The TPA will receive progress payments from LEJ's contractors, review them for consistency with each contractor's schedule of values, and forward approved payment requests to LEJ for submittal to DOE or CCC. The TPA will establish a disbursement account to which it will receive funds on LEJ's behalf from the DOE and CCC, and disburse funds to LEJ's contractors in accordance with approved payment requests. The TPA will notify the Port immediately of any lien, claim, suit or circumstance which could, in the opinion of the TPA, give rise to one, and reserve funds in the amount of any potential liability. Upon receipt of all documentation necessary to demonstrate completion of the work and final payment to LEJ's contractors, the TPA will release any remaining funds in accordance with the conditions of LEJ's funding agreements with the DOE and CCC.

Other New/Updated Lease Provisions: The lease amendment will include other updates to incorporate current standard lease provisions, including hazardous materials disclosure, sunshine ordinance, conflict of interest, drug-free workplace, use of public transit, food service waste reduction and Federal Emergency Management Agency disclosure.

RECOMMENDATION

Port staff recommends that the Commission authorize and direct the Executive Director to enter into the proposed amendment in substantially the form on file with the Commission Secretary, as well as all related agreements.

Prepared by: Mark Lozovoy, Assistant Deputy Director, Real Estate
Carol Bach, Environmental Affairs Manager, Planning & Development

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-63

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, The Port has approved Resolution No. 05-64 authorizing the lease with Literacy for Environmental Justice ("LEJ") for construction and operation of the Living Classroom; and

WHEREAS, the Port now desires to revise the lease to remove the requirement that LEJ obtain a "Materialman's Completion Bond", and add new requirements regarding commencement, termination, and use of a Third-Party Funds administrator; now therefore be it

RESOLVED, that the Port Commission hereby consents to revision of Lease No. 13816, the terms of which are described in the staff report and are on file with the Commission secretary; and be it further

RESOLVED, that the Executive Director or her designee is hereby authorized to execute all such appropriate documentation as she deems necessary or appropriate to implement this Resolution in a form approved by the City Attorney's office, such determination to be conclusively evidenced by the execution and delivery by the Executive Director, or her designee of any such document.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 14, 2007.

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Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 8, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Approval of Contract Modification to the Illinois Street Intermodal Bridge South Approach Contract No. 2709 with Stacy and Witbeck, Inc, to extend the substantial completion date to November 8, 2007, and to increase the contract amount by an additional amount not to exceed $200,000.

DIRECTOR'S RECOMMENDATION: Adopt the Resolution

Introduction

Port staff request Commission authorization to execute a contract modification to the Illinois Street Intermodal Bridge South Approach Contract No. 2709 with Stacy and Witbeck, Inc., to accomplish two objectives necessary for the completion of the project: 1) Fund additional work to protect unforeseen underground utilities; and 2) To extend the Substantial Contract Completion date from September 6, 2007 to November 8, 2007. Port Commission authorization for this proposed contract modification is required because the time extension will cumulatively extend the schedule for substantial completion beyond 10 percent of the original contract duration. Furthermore, the estimated cost of this modification for additional work will increase the contract amount beyond the previously authorized ten percent contract contingency.

During excavation for new rail, street and utility installation, the Port's contractor, Stacy and Witbeck, encountered the need for significant unplanned work. This work includes removal of concrete and asphalt underground obstructions, removal and disposal of hazardous soil, and repair of the wharf structure adjacent to the Bridge. This unplanned work was funded by change orders, utilizing the authorized contract contingency.

In addition, due to the discovery of deficiencies in existing underground utilities at rail crossings adjacent to the south approach to the bridge (discussed further below) and Union Pacific Railroad requirements for protection of these utilities, the Contractor must perform additional work for utility protection and relocation.

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Additional funding and an appropriate time extension are needed to compensate for this work, which is not part of the contract scope of work. The remaining contract contingency reserve of $113,602 is insufficient to fund this work. Therefore, Port staff request authorization to increase the contract amount for Contract No. 2709 by an amount not to exceed $200,000. Of this amount, Port staff propose to increase the contract sum by $164,463 to pay for the additional work related to underground utilities, and the balance of $35,537 will be held in reserve for possible future contract contingencies. Furthermore, Port staff seek authorization to extend the current schedule for contract completion by 62 days, to November 8, 2007. This time extension is necessary to provide sufficient time for procurement of casing material, rerouting and other means of protection of the underground utilities.

Background

Due to funding regulations[1], the construction of the Illinois Street Bridge Project is proceeding under two separate contracts. Contract No. 2680 was awarded to Shimmick Construction Company for the initial design and construction of the bridge, control system, and North Approach. Through Resolution No. 07-52, the Port Commission previously authorized a contract modification to Contract No. 2680 to extend the final completion date from July 31, 2007, to December 17, 2007, to permit Port staff to conclude negotiations concerning the installation of lockable electrical pull boxes, reinstallation and retesting of the wiring, and further postponement of integrated testing of the bridge until completion of the electrical and instrumentation work of the South Approach.

The Port awarded a separate contract, Contract No. 2709, to Stacy and Witbeck for construction of the South Approach. The contract provides for construction of the South Approach and includes instrumentation that connects to the bridge control system. The completion of this contract is driving the bridge functional completion date. Under this contract, staff issued a Notice to Proceed in December 2006, with substantial completion anticipated by the end of May 2007. However, progress toward substantial completion has been interrupted by unavoidable delays in procurement of Auxiliary Water Supply System (AWSS) material, and therefore by Resolution No. 07-43, the Port Commission authorized extension of the completion date to September 6, 2007. The recent discovery and mitigation of underground utilities in proximity to the South Approach will further extend substantial completion to November 8, 2007. These utility issues are summarized below:

- The South Approach contractor, Stacy and Witbeck, discovered that underground gas and water utilities at the Darling International plant's railroad new track extension were not encased and buried under the existing track in compliance with railroad and utility standards. These utilities must be rerouted through steel casings to meet Union Pacific Railroad, PG&E and City water department requirements. Design for this work has been completed. However, completion of the utility relocation is delaying other work which has essentially stopped the construction effort at this time.

[1] Approximately 20% of the Bridge construction funding is provided by a grant from the Federal Highway Administration. It has required use of a separate contractor and has resulted in significant delays to the construction schedule.

- Union Pacific Railroad rejected the Port engineering consultant's design for protection of underground utilities located at the south side of Amador Street at railroad leading to the Illinois Street Bridge. To meet Union Pacific Railroad standards, an abandoned fuel oil line must be removed and several water, gas, telecom and electrical utilities must be protected by strengthening of a structural track bridge over the utilities. Design for this work has been completed. PG&E is proceeding with removal of the abandoned fuel oil line at its cost and this has also contributed to project delays.

This additional utility work will delay the installation of the track and railroad signalization system under Contract No. 2680 with Shimmick and Contract No. 2709 with Stacy and Witbeck.

In order to complete this additional utility work under Contract 2709, Port Staff seek authorization to increase the contract amount for Contract No. 2709 by an amount not to exceed $200,000 and to extend the substantial completion date to November 8, 2007.

Funding

The current authorized funding and change order amounts for Contract No. 2709 are summarized below:

Contract No. 2709 Authorized Funding and Change Orders

Change Order No.	Title	Cost
1	Remove extra concrete from track and street right of way	$9,177
2	Additional Handling of and disposal of class I & II soil, additional roadway work, UPRR review costs, time extension due to late AWSS material	$127,057
3	Additional Handling of and disposal of class I & II soil	$14,763
4	Wharf Repair	$56,100
5	Various Force Accounts for unforeseen additional work - Removal of unknown underground obstructions, repair of existing damaged utilities & security protection	$44,858
6	Various Force Accounts for unforeseen additional work - Site investigation of underground utilities & removal of unknown underground obstructions	$27,349
7	Provide Lockable Pull Boxes	$2,335
Subtotal Existing Change Orders		$281,638
8	Additional work and schedule extension to remove, reroute and protect underground utilities	$278,065
Total Change Orders Request		$559,703
Authorized Contingency		$395,240
Shortfall		$164,463

As summarized above, staff have negotiated the costs for the additional work to remove, reroute and protect underground utilities to be $278,065. This proposed change order No. 8 combined with existing change orders, totals $559,703, of which $395,240 will be offset by the authorized contract contingency. However, this leaves an unfunded deficit of $164,463 for which additional funding is needed. Port staff also request an additional $35,537 contingency to be utilized for possible future contract contingencies. Therefore, staff seek $200,000 of additional funding from the Port Operating budget.

Summary

Port staff request Commission authorization to execute a contract modification to extend the Substantial Contract Completion date for Contract No. 2709 from September 6, 2007 to November 8, 2007 to provide time to mitigate underground utilities. Port staff also request Commission authorization to increase the contract amount by $200,000 to fund the additional work and to provide for a contingency reserve for the remaining work.

Port Staff recommends that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Kim von Blohn
Project Manager

For: Edward F. Byrne
Chief Harbor Engineer

PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-64

WHEREAS, Pursuant to Port Contract No. 2709 with Stacy and Witbeck, Inc., construction of the Illinois Street Intermodal Bridge South Approach is in progress with a current substantial completion date of September 6, 2007; and

WHEREAS, Port staff have determined that this current substantial completion date will not be achieved due to the recent discovery and need to mitigate underground utilities; and

WHEREAS, These factors justify extending the existing contract substantial completion date from September 6, 2007, to November 8, 2007; and

WHEREAS, The current contract contingency balance for Contract No. 2709 is $113,602, which is insufficient to compensate Stacy and Witbeck for the estimated cost for additional work related to the utilities, including the procurement of casings and rerouting of utilities; and

WHEREAS, In order to accomplish this work and to provide a contingency account for the remainder of the project, it is necessary and appropriate for the Port Commission to authorize an increase in the existing contract amount by an amount not to exceed $200,000; now, therefore be it

RESOLVED, That the Port Commission hereby authorizes Port staff to execute a contract modification to Contract No. 2709, with Stacy and Witbeck, Inc., for the Illinois Street Intermodal Bridge South Approach, to: (1) extend the existing substantial completion date from September 6, 2007, to November 8, 2007, to accommodate for the mitigation and relocation of unforeseen underground utilities; and (2) increase the existing contract amount by an amount not to exceed $200,000, resulting in a new total contract amount not to exceed $4,547,640 to compensate for such work, with unexpended funds to be held in the contingency reserve as outlined in the staff memorandum accompanying this resolution; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 14, 2007.

_____

Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 2, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney A. Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director MMoyer

SUBJECT: Request approval to enter into a contract with Forell/Elsesser Engineers Inc. for Engineering Consulting and Design Services Related to the Pier 35 Substructure Repair Project in an initial amount of $250,000, with a one-year term and option to renew for two additional years

DIRECTOR'S RECOMMENDATION: Approve Resolution

INTRODUCTION

The Port Commission, at its meeting on May 22, 2007, authorized staff by Resolution No. 07-36 to issue a Request for Proposals soliciting engineering consulting services for the Pier 35 Substructure Repair Project and to initiate a competitive selection process that would result in a staff recommendation for contract award. That competitive selection process resulted in a recommendation for contract award to Forell/Elsesser Engineers, Inc. The proposed contract amount is at the budgeted amount of $250,000 to complete Phase 1 which consists of Structural Investigation and Preliminary Professional Engineering Design Services. Phases 2 and 3 will depend upon the outcome of Phase 1, future anticipated use of Pier 35 as a Cruise Terminal and funding availability for the repair work. Port staff will come back to the Port Commission with recommendations to amend the proposed contract to add Phases 2 and 3 at a later date, if deemed appropriate.

BACKGROUND

Substructure maintenance and repairs are required to allow the continued active use of the Port's Cruise Terminal located at Pier 35. However, an engineering investigation is required to determine the extent of such required repairs. Phase 1 of this proposed contract will authorize Forell/Elsesser Engineers to investigate and determine the necessary repairs. The Pier 35 substructure consists of a reinforced concrete deck slab spanning between reinforced concrete beams and girders that span over reinforced concrete piles. Due to adverse environmental

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conditions over the decades, the substructure framing has become deteriorated and will likely require repairs. Thus, it is necessary to design and implement long-term structural repairs to the pier substructure consistent with the anticipated use of the facility.

Proposed Contract Scope of Services

The proposed contract to be awarded is divided into three phases as follows:

Phase 1: Structural Investigation and Preliminary Professional Engineering Design Services
Phase 2: Professional Engineering Design Services
Phase 3: Bid and Construction Stage Professional Engineering Services

Phase 1
The initial one year contract will focus on Phase one as listed above. In this phase the consultant will review existing drawings and other technical documents for pertinent information concerning uses, conditions, repairs and maintenance of Pier 35. The consultant will also interview appropriate individuals to confirm anticipated future usage of Pier 35 and resulting structural needs.

A detailed structural condition survey and investigation of the substructure will be performed to determine and document the extent of deterioration in concrete piles, beams, girders and slab panels. This survey will include a determination of whether or not seismic upgrade is required and if so, will provide seismic criteria, conceptual design and cost estimate for seismic upgrade. In addition, the consultant will develop conceptual repair alternative(s) and respective cost estimate(s) for non-seismic upgrade related required repairs.

Phase 2
Port staff will evaluate conclusions resulting from Phase 1 to determine immediate repair requirements and develop a long-term repair plan. In addition, Phase 1 conclusions will enable Port staff to establish project funding needs. Factors to be considered include anticipated usage of Pier 35, construction costs and funding availability.

This second phase will consist of developing plans, detailed construction documents and cost estimate(s) to repair the substructure deck and piles based upon the recommended and selected repair alternative developed under Phase 1 of the project scope of work.

Phase 3
The third phase will consist of assisting Port staff during the bidding and construction phase, including responding to contractors' questions, attending the pre-bid conference, and revising drawings or technical specifications as required. The consultant will also provide services during the construction process to assure that construction is proceeding in accordance with the contract documents and other Port requirements.

Note: The Port does not guarantee that Phases 2 and 3 will be awarded.

DISCUSSION

The following is an overview of information about the selection process, the recommended firm, Local Business Enterprise (LBE) participation and proposed fees.

Selection Process

The five-member selection committee was composed of two Port staff members, plus staff members from the San Francisco Department of Public Works, San Francisco Public Utilities Commission and Port of Oakland. The Port's Contract Manager and HRC Contract Compliance Officer facilitated and monitored the selection process. At the recommendation of the Port's HRC Contract Compliance Officer, all five (5) proposers were invited for an interview. The evaluation criteria for written proposals included: 1) Project Approach; 2) Relevant Team Experience; 3) Staff Qualifications and 4) Proposed Fee. The interview and reference scores represented the second phase of the selection process.

Reference scores were based upon the following additional criteria:

- Completion of projects listed for experience and firm's role
- Completion of projects on time and within budget
- Effectiveness in amicably resolving disputes
- Use of staffing listed in the SOQ/Proposal
- Staffing Performance
- Management Performance
- Project relevance to the RFP project
- Communication
- Overall Quality of Work

The paper scores and interview scores each carried a 50% weight and were combined in determining the recommendation for contract award. A summary of the scores is attached as Exhibit 1.

The selection committee separately compiled scores for the written portion of the selection process. The Port Contract Manager tabulated the fee score based upon the City formula provided by the Office of Contract Administration and added those scores to the selection panel's scores. After the interview scoring was completed, reference scores were added to the selection panel's interview scores. Scores from the written phase and interview phase were then combined to determine the firm with the highest score. Although, there is only one point difference between the highest-ranked and next highest-ranked firms, the selection panel has confirmed that the scores accurately reflect their evaluation and recommendation for contract award to Forell/Elsesser Engineers, Inc.

The Port's HRC Contract Compliance Officer verified that each firm responding to the RFP demonstrated a commitment to meet the 20% LBE subconsulting goal. The final evaluation scores resulted in the following ranking of the responding firms:

Final Ranking	Name of Lead Consultant Team
1	Forell/Elsesser Engineers, Inc.
2	Winzler & Kelly Engineers
3	Rutherford & Chekene
4	Ben C. Gerwick Inc.
5	Creegan & D'Angelo

If the Port is not able to successfully negotiate a contract with the top ranked firm of Forell/Elsesser Engineers, Inc. then, staff will initiate negotiations with the next highest-ranked firm of Winzler & Kelly Engineers, consistent with the RFP requirements. However, at this time, staff requests authorization to award the contract to Forell/Elsesser Engineers, Inc. as the highest-ranked firm.

Company Information for the Recommended Firm: Forell/Elsesser Engineers, Inc.

Among other factors, Forell/Elsesser Engineers, Inc. impressed the selection panel by actually deploying a boat to visually inspect the pier substructure in preparation for submittal of their proposal and interview. At the interview, they provided the selection panel with color photos of their results from that site assessment and specific feedback to support their understanding of the project scope.

Forell/Elsesser Engineers, Inc. is a San Francisco based firm that formed by merger in 1969 between Nicholas Forell and Eric Elsesser. Forell/Elsesser currently employs less than 50 people and is therefore described as a small business, although not certified by the San Francisco Human Rights Commission as such. The eight-digit Standard Industrial Classification Code (SIC) indicates that firm's principal line of business is engineering (consulting, civil and structural). Forell/Elsesser Engineering, Inc. has indicated that for this project, they will be providing managerial skills; assuming responsibility for coordinating all the structural engineering tasks, as well as providing quality control and contract administration for the team. Some local projects that the firm completed include seismic evaluation work at the International Women's Museum, Laguna Honda Hospital and San Francisco City Hall.

Forell/Elsesser served as prime design professional to the City and County of San Francisco Bureau of Architecture for the complete repair and base isolation seismic upgrade of City Hall. In addition to the seismic rehabilitation of the City Hall structure, Forell/Elsesser also assisted with completing the historic interior refurbishment and modernization of office spaces.

For the proposed contract, Forell/Elsesser Engineers. Inc. is partnering with Holmes Culley; also a San Francisco based business whose principal line of business is structural engineering and which employs over 100 professional staff in six offices. Holmes Culley has special expertise in retrofitting existing and historic structures. Holmes Culley also has experience working on Port of San Francisco sites such as Piers 1 ½, 3, 5; and Piers 27-31; Wharf J1-J3 and other San Francisco locations such as The Presidio.

Local Business Enterprise (LBE) Participation

Forell/Elsesser Engineers, Inc. listed the following LBE participation in their proposal:

Firm Name	Portion of Work	% Participation
Underwater Resources, Inc.	Marine Investigation	16%
Saylor Consulting Group	Cost Estimating	7%
TOTAL LBE PARTICIPATION		23%

Both of the above firms participated in the selection process interviews.

Proposed Fees

Phase 1	With Seismic Upgrade	Without Seismic Upgrade
	$250,000	$191,073

Port allocated funding for Phase 1 is provided through Capital Budget CPO 766 in the amount of $250,000. Costs for Phases 2 and 3 are unfunded at this time and dependent upon the extent of repair work to be completed as determined by Phase 1. As such, proposing firms were required to provide percentage of final construction cost percentages and dollar amounts based upon a range of estimated construction costs.

Phases 2 & 3 (Design, Construction & Administration)

Final Estimated Construction Cost	Estimated Design/Admin Cost $/%
Up to $1,000,000	13% or up to $130,000
$1,000,001 - $5,000,000	10.5% or up to $315,000
$5,000,001 and over	8%

RECOMMENDATION:

Port staff requests authorization to award the subject contract to Forell/Elsesser Engineers, Inc. for a maximum term of three years and an initial amount of $250,000.

Prepared by: Norma Nelson, Port Finance Division

For: Tina Olson, Director for Finance & Administration
Ed Byrne, Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-65

WHEREAS, The Port of San Francisco's primary Cruise Terminal, which serves as a vital maritime facility, is located at Pier 35; and

WHEREAS, the substructure of Pier 35 is in need of long term repairs to facilitate continued use of Pier 35 as a Cruise Terminal; and

WHEREAS, Port staff obtained approval from the Civil Service Commission on April 2, 2007, authorizing the Port to contract with a private engineering firm for consulting services for the Pier 35 Substructure Repair project; and

WHEREAS, the Port Commission authorized staff under Resolution No. 07-06 to advertise and issue a Request for Proposals ("RFP") for Pier 35 Substructure Repair Project Engineering Consulting and Design Services, and thereafter Port staff issued such RFP; and

WHEREAS, the Port Commission has allocated funding in its Capital Budget to pay for the proposed consulting services estimated to cost $250,000; and

WHEREAS, in response to the RFP, Port staff received and evaluated five proposals, and now recommend contract award to Forell/Elsesser Engineers, Inc. as the highest ranked team pursuant to the RFP criteria; and

WHEREAS, in its proposal, Forell/Elsesser Engineers, Inc. has made a commitment of 23% San Francisco Human Rights Commission Local Business Enterprise subconsultant participation; now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes contract award to Forell/Elsesser Engineers, Inc. in an initial amount of $250,000 for a term of one year, with the option to extend the term in one year increments, for a maximum term of three years, and further authorizes Port staff to execute necessary contract documents for such purpose.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 14, 2007.

_____
Secretary

Exhibit #1 – Summary of Scores

RFP: Professional Engineering Consulting and Design Services
Final Scoring

COMBINED SCORES

Firm Name	Paper Screening	Interview	Final Score	Ranking
Forell/Elsesser Engineers Inc.	78.67	92.75	171.42	1
Winzler & Kelley Consulting Engineers	82.09	88.31	170.40	2
Rutherford & Chekene	80.65	82.75	163.40	3
Ben C. Gerwick Inc.	75.52	78.50	154.02	4
Creegan + D'Angelo	68.53	85.00	153.53	5
Maximum Score = 200	100	100		

Reference & Fee Scores Included Above

Firm Name	Reference Score	Fee Score
Ben C. Gerwick Inc.	24.50	14.52
Creegan + D'Angelo	24.75	10.28
Forell/Elsesser Engineers Inc.	25.00	14.92
Rutherford & Chekene	24.25	12.4
Winzler & Kelley Consulting Engineers	25.00	18.09
	Max = 25	**Max= 20**

City and County of San Francisco

Gavin Newsom,
Mayor

Human Rights Commission
Contract Compliance
Dispute Resolution/Fair Housing
Local Business Enterprise
Lesbian Gay Bisexual Transgender & HIV Discrimination

Virginia M. Harmon

MEMORANDUM

Date: July 31st, 2007

To: Norma Nelson, Contract Administrator, Port of San Francisco
Tim Leung, Administrative Engineer
Ed Byrne, Chief Harbor Engineer

From: Selormey Dzikunu, Contract Compliance Officer, HRC

Subject: Award Eligibility Memo for Port Professional Engineering Consulting & Design Services Related To The Pier 35 Substructure Repair Project

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The HRC has reviewed the written proposal and interview score sheets for the above referenced RFP. The written proposals were the basis for the selection of all five firms for oral interviews. The proposal review score, including fees was 50% of the total score and the oral interviews accounted for 50% of the final score.

Below is a table summarizing the final rankings.

	Written Proposals				Oral Interviews				Final Score	
Firm	Score	Ratings Bonus	Adj. Score	Rank	Score	Ratings Bonus	Adj. Score	Rank	Score	Rank
Forell/Elsesser Engineers	78.7	0	78.7	3RD	92.8	0	92.8	1ST	171.4	1st
Winzler & Kelly	82.1	0	82.1	1ST	88.3	0	88.3	2ND	170.4	2nd
Rutherford & Chekene	80.7	0	80.7	2ND	82.8	0	82.8	3RD	163.4	3rd
Ben C. Gerwick Inc.	75.5	0	75.5	4Th	78.5	0	78.5	4TH	154.0	4TH
Creegan + D'Angelo	68.5	0	68.5	5TH	85.0	0	85.0	5TH	153.5	5TH

All proposals were responsive to HRC's 20% LBE subconsulting requirements. Forell/Elsesser, the highest ranked firm, met the 20% LBE goal by listing the following firms:

HRC Certified FIRM	SERVICE	LBE Participation
UnderWater Resources	MarineInvestigation	16%
Saylor Consulting Group	Cost Estimating	7%
Total:		23%

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The HRC hereby declare Forell/Elsesser eligible for the award of this contract.

Please notify me when contract negotiations are concluded. In the meantime, if you have questions, or if I can be of any further assistance, please do not hesitate to contact me at 274-0511

PORT OF SAN FRANCISCO

MEMORANDUM

August 9, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director MMoyer

SUBJECT: Request Approval to Execute Sixth Amendment to the Amended and Restated Exclusive Negotiation Agreement with SF Piers LLC for the Piers 27-31 Mixed-Use Recreation Project Extending the Term and Amending the Benchmarks (Site Location: Piers 27-31 on The Embarcadero, between Francisco and Battery Streets) (Resolution No. 07-66)

DIRECTOR'S RECOMMENDATION: Approve Sixth Amendment to the Amended and Restated Exclusive Negotiation Agreement

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Background

On March 14, 2006, the Port Commission approved the Amended and Restated Exclusive Negotiation Agreement ("Amended ENA") between the Port and SF Piers LLC, whose members are Shorenstein Properties, LLC and Farallon Capital Management (hereinafter referred to as the "Developer") for a mixed-use recreation development with ancillary uses at Piers 27-31 ("the Project"). Under the terms of the Amended ENA, the Developer was required to submit certain documents and obtain the endorsement by the Port Commission of a revised Development Memorandum prior to September 30, 2006, the original expiration date of the Amended ENA. The Port Endorsement Resolution was not obtained by September 30, 2006 for reasons explained below.

Since March 2006, Port staff and the Developer have been meeting regularly to discuss changes in the site plan and use program from the previous Mills' proposal to address community concerns that were raised during the public review process of the Mills' project. During the Developer's due diligence investigations, the Developer discovered significant increases in the costs to develop the Project, particularly in the substructure repair and improvement costs. In analyzing the impact of these increased costs, the Developer concluded that the Project was not feasible even with a provision for $2.1 million of rent credits for the cost of creating the

Print Covers Calendar Item No. 10A

Northeast Wharf Plaza open space. However, the Developer also concluded that the Project could be feasible as a public-private partnership if additional public monies were invested into the Project in addition to the private funds that the Developer would invest. Port staff and Bay Area Economics, the Port's independent real estate economics consulting firm, concurred with this conclusion.

On October 24, 2006, the Developer submitted to Port staff its Development Proposal for the Site. It included the proposed plans, a development schedule, financial terms and strategies for obtaining a determination of trust consistency and regulatory approvals. The Development Proposal was presented to the Port Commission on October 24, 2006.

On December 12, 2006, the Developer made another informational presentation further outlining its ideas for the recreation program. At that time, based on Port Staff's recommendations, the Port Commission extended the expiration date of the Amended ENA to February 28, 2007 and also extended certain Performance Benchmarks. This additional time was necessary to enable the Developer to submit its development proposal, for the parties to investigate a public financing structure and find a mutually agreeable solution to the huge substructure costs and for the Port and the Developer to negotiate a revised Development Memorandum. The parties then engaged in a lengthy series of negotiation sessions resulting in a proposed Amended and Restated Development Memorandum ("Development Memorandum").

Originally, it was anticipated that the parties would seek approval of the Development Memorandum at the Port Commission hearing on January 9, 2007. However, after further consideration, the Developer decided that more time was needed in order to make the Project more consistent with the Public Trust doctrine and more appealing to the various stakeholders and constituents. The Developer therefore requested that the matter not be heard on January 9, 2007 and that further discussions take place with Port Staff in order to determine whether the Project could be revised to include more trust-consistent uses and still be economically viable. The Developer requested extensions of the Amended ENA, and the Port Commission approved such extensions. Currently, the Amended ENA will expire on August 31, 2007 unless all of the Performance Benchmarks are satisfied by that date or the agreement is extended.

During the past several months, the Port and the Developer have been engaged in discussions involving the possibility of incorporating a cruise terminal at Pier 27. We have been working to determine whether such a revised development plan is economically feasible.

The previous project concept submitted by the Developer contemplated occasional port-of-call berthing of cruise ships and other vessels at Pier 27 and the use of a portion of the Pier 27 shed for maritime support and, on non-cruise days, for recreational activities. The parties are now studying the feasibility of building a cruise terminal inside the Pier 27 shed and using Pier 27 as the Port's primary home-port cruise ship terminal facility.[1] The terminal could be used on non-cruise days for other functions such as corporate and special events, consumer trade shows and recreation.

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[1] *Pier 27 would then replace Pier 35 as the Port's primary cruise terminal, with Pier 35 providing a secondary berth when needed. The Cruise Terminal Advisory Panel ("CTAP") is presently studying the Port's options for a new cruise terminal and comparing the advantages and disadvantages of various sites including Pier 27, Pier 35 and Piers 30/32. CTAP met after the drafting of this Memorandum and will be making its recommendations to the Port Commission at a future meeting.*

Port Staff is requesting a 4-month extension (122 days) of the Term of the Amended ENA to January 31, 2008. It is anticipated that during this next extension period, the Developer will finalize the plan and development concept for the project, submit a pro forma with development costs and sources of funding, prepare any other documentation required under the original RFP, negotiate and draft with Port Staff the Amended and Restated Development Memorandum ("ARDM") and obtain the endorsement of the ARDM by the Port Commission. During this period the Port will be studying the amount of potential revenue it could expect to receive at Pier 27 from non-cruise activities.

Port staff hereby request approval of an extension of the Term of the Amended ENA to January 31, 2008 and authorization for the Executive Director to execute the Sixth Amendment to the Amended ENA granting such extension. A copy of the Sixth Amendment is on file with the Commission Secretary.

Amendment, Suspension and Extension of Certain Benchmarks

As noted above, the Amended ENA provides that the Term will automatically expire on August 31, 2007 unless all of the Performance Benchmarks are satisfied by that date, including approval by the Port Commission of a resolution endorsing a revised (or Amended and Restated) Development Memorandum, which describes the Project and financial terms. Upon satisfaction of all of the Performance Benchmarks prior to August 31, 2007, the term of the Amended ENA will be automatically extended, as provided in the Amended ENA. Throughout the negotiation process, various Initial Performance Benchmarks set forth in the original Amended ENA have either been satisfied (but for a different development proposal), suspended, or extended. Port staff recommend that a new schedule be instituted as follows:

#	Benchmark	Current Status	Recommended Amendment
1	Proposed Plan of Development	Satisfied (for a different proposal) except for recreation operation plan & affordability program	Implement later through Benchmark #1 and #8
2	Schedule	Satisfied *	New deadline of October 1, 2007
3	Monthly Report	Partially satisfied; suspended	Quarterly reporting starting October 1, 2007
4	Community Outreach Program	Satisfied *	New deadline of October 1, 2007
5	Trust Consistency Proposal	Satisfied *	New deadline of October 1, 2007
6	Regulatory Approval Strategy	Satisfied *	New deadline of October 1, 2007
7	Annual Budget	Satisfied to date	Deadline per Section 13.2
8	Active Recreation Operator	Suspended	Continue temporary suspension until use program in new development concept is further defined
9	Port ARDM Endorsement	Suspended	New deadline of January 31, 2008
10	Weekly Meetings	Satisfied to date	Continue to require weekly meetings unless waived or rescheduled by the mutual agreement of the parties

11	Revised Proposed Plan of Development *(including revised use program, concept drawings, schedule of performance, financial proposal with pro formas, proposed changes to financial deal terms in DM, related documents)*	August 31, 2007	New deadline of October 1, 2007

** Originally satisfied but for a different proposal*

Port Staff hereby request approval to amend, suspend or extend the Performance Benchmarks as set forth above, and request authorization for the Executive Director to execute the Sixth Amendment to the Amended ENA memorializing the above. These deadlines are outside dates. The Port and the Developer are committed to accelerating this schedule and will make every effort to seek Port Commission approval of the ARDM prior to January 2008.

Staff Recommendation

Port staff request that the Port Commission (1) approve the 122-day extension of the Term of the Amended ENA to January 31, 2008; (2) approve the amendment, suspension and extension of the Performance Benchmarks set forth above; and (3) authorize the Executive Director to execute the Sixth Amendment to the Amended ENA.

Prepared by: Jennifer Sobol
Project Manager
Planning & Development

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-66

WHEREAS, Charter Section B3.581 grants to the Port Commission the authority and duty to use, conduct, operate, maintain, regulate and control the lands within the Port jurisdiction; and

WHEREAS, The Port Commission at its March 14, 2006 meeting, by Resolution No. 06-22, approved the terms of an Amended and Restated Exclusive Negotiation Agreement ("original Amended ENA") between the Port and SF Piers LLC, a Delaware limited liability company (herein the "Developer"); and

WHEREAS, The Term of the original Amended ENA, as amended by First, Second, Third, Fourth and Fifth Amendments (the "Amended ENA"), expires on August 31, 2007, and the Developer has requested an extension of the Amended ENA Term to January 31, 2008; and

WHEREAS, Port staff and the Developer wish to further amend the Amended ENA to amend, suspend or extend the Initial Performance Benchmarks, all as described in the Memorandum to Port Commissioners dated August 9, 2007 for Calendar Item No. 10A (the "Staff Report"). Copies of the Sixth Amendment to the Amended ENA reflecting these revisions and the Staff Report are on file with the Commission Secretary and are incorporated herein by this reference; and

WHEREAS, Port staff recommend to the Port Commission that it extend the Term of the Amended ENA to January 31, 2008, approve the Sixth Amendment to the Amended ENA, and authorize and direct the Executive Director to execute the same, in substantially the form on file with the Commission Secretary; NOW, THEREFORE, BE IT

RESOLVED, That the Port Commission hereby approves the extension of the term of the Amended ENA to January 31, 2008; and be it further

RESOLVED, That the Port Commission hereby approves amendments to the Amended ENA to amend, suspend or extend the Initial Performance Benchmarks, all as described in the Memorandum to Port Commissioners dated August 9, 2007 for Calendar Item No. 10A, as reflected in the Sixth Amendment to the Amended ENA on file with the Commission Secretary; and be it further

RESOLVED, That the Port Commission hereby authorizes and directs the Executive Director of the Port, or her designee, to execute the amendment to the Amended ENA (the "Sixth Amendment to the Amended ENA"), in substantially the form on file with the Commission Secretary, with the understanding that the final terms and conditions of any lease disposition and development agreement, lease or related documents negotiated between the Port and the Developer during the exclusive

negotiation period will be subject to the approval of the Port Commission; and be it further

RESOLVED, That the Port Commission hereby authorizes and directs the Executive Director of the Port, or her designee, to take all such further actions, including execution of documents in consultation with the City Attorney, as are necessary or advisable to effectuate the purpose and intent of this Resolution, so long as such actions and/or agreements do not materially increase the Port's anticipated obligations or decrease the Port's anticipated benefits and are consistent with this Resolution; and be it further

RESOLVED, That the Port Commission, pursuant to Section 7.2 of the Amended ENA, hereby authorizes the Executive Director of the Port, or her designee, to waive or extend the times for performance of the Initial Performance Benchmarks (as defined in the Amended ENA), including, without limitation, the right to condition such waiver or extension on additional Performance Benchmarks or other conditions required by the Port in its sole discretion, provided that such extension does not extend the term of the Amended ENA; and be it further

RESOLVED, That entering into the Sixth Amendment to the Amended ENA does not commit the Port Commission to approval of a final lease, lease disposition and development agreement or related documents, and that the Port Commission shall not take any discretionary actions committing it to the Project until it has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act (CEQA).

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 14, 2007.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 7, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Rodney Fong
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval of a Memorandum of Understanding No. M-14383 between the Port of San Francisco and the San Francisco Municipal Transportation Agency for approximately 7,600 square feet of land under Port's jurisdiction for the construction and maintenance of certain improvements along the Islais Creek Shoreline

DIRECTOR'S RECOMMENDATION: Approve Memorandum of Understanding

I. BACKGROUND

Under the Burton Act, the State of California transferred certain property to the City and County of San Francisco to be held by the Port of San Francisco including certain public access areas along the shoreline of Islais Creek.

The Municipal Transportation Agency ("MTA") intends to construct its Islais Creek Motor Coach Operations and Maintenance Division Project on its property that is located adjacent to Islais Creek.

The Port and the MTA have submitted a permit application to the San Francisco Bay Conservation and Development Commission ("BCDC") that will allow the MTA to perform certain improvements and related work in the Bay and within the 100-foot shoreline band under the jurisdiction of BCDC.

As a condition of its permit approval, BCDC is requiring that the MTA perform certain mitigation including the construction and the maintenance of certain improvements along Islais Creek such as shoreline landscaping, irrigation and the removal of a derelict pier and several concrete piles. This area along Islais Creek consists of three parcels of Port property that is approximately 7,600 square feet. The MOU will allow the MTA to enter Port property to conduct such work and provide regular maintenance.

THIS PRINT COVERS CALENDAR ITEM NO. 11A

II. PROPOSED MOU NO. M-14383

Premises:	Approximately 7,600 square feet
Term:	The MOU term shall be month to month not to exceed 60 months.
Commencement Date:	Commencing on the first day following the approval by the Port Commission.
Improvements:	Removal of three (3) concrete slabs totaling approximately 124 square meters in size and two (2) derelict wooden piers totaling approximately 45 square meters in size, all of which are currently located on the Premises. Install, repair, replace, enhance, remove and maintain grading and planting above the mean high water elevation on the Premises in a manner that is acceptable to the Port.
Maintenance:	Shall be solely the responsibility of the MTA.

III. RECOMMENDATION

Staff recommends that the San Francisco Port Commission approve the Memorandum of Understanding No. M -14383 between the Port, and the Municipal Transportation Agency. Following the approval by the Port Commission, the MOU will allow the MTA to enter Port property to construct certain improvements and perform maintenance that is required by the permit issued by the Bay Conservation and Development Commission.

Prepared by: Jeffrey A. Bauer, Senior Leasing Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-67

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and

WHEREAS, the Municipal Transportation Agency ("MTA") intends to construct its Islais Creek Motor Coach Operations and Maintenance Division Project on its lands that are within the San Francisco Bay Conservation and Development Commission ("BCDC") 100 foot Shoreline Ban; and

WHEREAS, the MTA is required to obtain a permit from BCDC to perform such work located within the 100 BCDC Shoreline Ban; and

WHEREAS, as a condition of approval, BCDC requires that the MTA perform certain mitigation including improvements along the Islais Shoreline on land under the jurisdiction of the Port of San Francisco; and

WHEREAS, the MTA and Port have developed a Memorandum of Understanding No. 14383 that will allow the MTA to enter Port property to perform certain activities including the construction of improvements and provide regular maintenance to the area; and

RESOLVED, that the San Francisco Port Commission hereby approves the Memorandum of Understanding with the Municipal Transportation Agency No. 14383 for approximately 7,600 square feet of land under the jurisdiction of the Port along Islais Creek on terms and conditions outlined in the memorandum to the Port Commission for Agenda Item 11A of the Port Commission Meeting on August 14, 2007, and the Port Commission authorizes the Executive Director of the Port, or her designee, to execute the same on behalf of the Port in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 14, 2007.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 7, 2007

TO: MEMBERS, PORT COMMISSION

Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Rodney Fong
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Approval of a seven and a half year lease No.L-14414 with the Pilara Family Foundation for the rental of 27,311 square feet at Pier 24 Annex.

DIRECTOR'S RECOMMENDATION: Approve Lease No. L-14414

I. HISTORY

Pier 24 Annex was built in 1935-36 and is located south of the Ferry Building adjacent to and just north of Pier 26. It remains in nearly its original condition on the exterior and the interior. The Annex building is approximately 27,311 square feet of pile supported enclosed pier space. The site fronts on The Embarcadero and is within the Northern Waterfront Historic District. Pier 24 Annex is currently vacant and has not been occupied since 1980.

Over a period of several years, the Port has attempted to activate Pier 24 Annex by issuing two Requests for Proposals ("RFP"). The first was issued in 1989 and included Pier 24 (subsequently demolished), Pier 24 Annex, and Pier 26. The RFP sought qualified respondents to develop and operate an International Marine & Yachting Center. The RFP was not awarded. During the due diligence period critical issues arose such as the lack of parking facilities, the difficulty with the removal of historic fabric that would prevent the installation of windows in the windowless facility, and the excessive noise produced by the adjacent Bay Bridge.

The second RFP was issued in October 1998 solely for Pier 24 Annex. The RFP sought the development and operation of a mixed use development that would be consistent with the Port's

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Waterfront Land Use Plan. On April 13, 1999 the Port Commission authorized an Exclusive Right to Negotiate ("ERN") with Metropolis Partners, Inc. and Polatnick Properties. This ERN was subsequently terminated on February 14, 2001 because the ERN did not result in negotiations or produce a lease after 21 months due to similar concerns that were raised in the 1989 RFP.

Since May 2007, the Port's Real Estate staff has been in lease negotiations with a prospective Pier 24 Annex tenant, the Pilara Family Foundation, a Nevada Non-Profit Corporation. These negotiations have resulted in the development of a proposed Port of San Francisco Lease, No.L-14414 ("Lease").

The Pilara Family Foundation was established in 2005 with its primary goal of housing the Pilara Photographic Collection that comprises some 500 photographs, most from the twentieth and twenty-first centuries. The Annex will be used for the storage and for the curation of the photographic collection. The collection will be available by appointment only for research by academics and other art and photographic professionals. There will be occasional visits by the Foundation members to view the collection and meet with the curator. There will be no visitation by the general public at any time for any purpose.

In addition to an initial annual rent of $131,092, the Tenant will make an initial tenant improvement investment of approximately $3.2 million. The improvements include repairs to the substructure and superstructure, replacement of the roof, installation of a state-of-the-art fire suppression system, installation of a Heating, Ventilation, and Air Conditioning System, connection and installation of utilities including electrical and water service (currently there are no utilities that service Pier 24 Annex). The Tenant will also abate existing hazardous materials on both the exterior and interior of the building.

The Port and Tenant anticipate that it may be necessary to amend the Lease to add two parcels to the Premises at a later date to provide improved ingress to the premises.

II. PROPOSED LEASE TERMS

Port Real Estate staff and representatives of the Pilara Family Foundation, a Nevada Non-Profit Corporation, have negotiated the proposed Lease No. L-14414 providing for the following terms and conditions:

- Tenant: Pilara Family Foundation, a Nevada Non-Profit Corporation.
- Premises: Approximately 27,311 square feet
- Term: The lease term shall be for a period of seven and a half years.
- Construction Period: Tenant will receive a 180 day construction period during which no rent is paid.

- Lease Commencement Date: On the earlier of November 1, 2007 or the date that the Port issues a building permit for the first phase of improvements.

- Use: Storage and curation of photographic collection.

- Rent Commencement: Rent shall commence on the earlier of May 1, 2008 or six months after the date the Port issues the Building Permit for the first phase of improvements.

- Rent: The initial rent is $131,092.80 annually or $ 0.40 per square foot per month in accordance with the FY 2007-08 Rental Rate Schedule.

- Rent Adjustment: 3% per year.

- Tenant Improvements: Tenant improvements shall be completed at the sole cost and expense of the Tenant in the amount of approximately $3.2 million. Tenant improvements must comply with the Port and the Secretary of the Interior's Standard for the Rehabilitation of Historic Buildings. Tenant is required to provide to the Port a payment and performance bond equal to 1-½ times the amount of the tenant improvements.

- Tenant's Responsibilities: Tenant shall be responsible for repair and maintenance of the interior and exterior of the building during the entire term of the Lease including all Tenant improvements, roof, mechanical systems, fire suppression system, man and rolling doors, windows and glazing, telecommunications systems, utilities, janitorial services, security, scavenger services, and HVAC system.

- Substructure Responsibility: Tenant is responsible to provide a yearly substructure inspection report to Port. Tenant is solely responsible for the maintenance and repairs of any piles or supporting beams that are part of the Tenant's initial substructure repairs.

- Port Responsibilities: Port shall not be responsible for repair and maintenance of the interior or the exterior of the building including exterior walls, rolling doors, roof and roof drains, unities, and any common area maintenance.

- Security Deposit: Tenant shall provide for a Letter of Credit in an amount equal to two (2) months' Base Rent to be held by the Port.

III. C.E.Q.A.

The Port of San Francisco has received a Categorical Exception from the City's Department of Planning Case Number 2007.0733E for this Lease.

VI. RECOMMENDATION

Port Staff recommends that the San Francisco Port Commission approve Lease L-14414 for the lease of Pier 24 Annex with the Pilara Family Foundation, a Nevada Non-Profit Corporation for a term of seven and a half years and subject to the additional terms and conditions set forth in said Lease. Upon said approval the Port Commission authorizes the Executive Director, or her designee, to execute the same on behalf of the Port in such form as is approved by the City Attorney. Port staff further recommends that the Port Commission authorize the Executive Director to enter into any additions, amendments or other modifications to the Lease that the Executive Director, in consultation with the City Attorney, determines are necessary to effectuate the purposes of the Lease, are in the best interests of the Port and do not materially increase the obligation or liabilities of the City or Port.

Prepared by: Jeffrey A. Bauer, Senior Leasing Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 07-68

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and

WHEREAS, the Pier 24 Annex is located on The Embarcadero south of the Ferry Building adjacent to and north of Pier 26 in the City and County of San Francisco and is within the Port's jurisdiction; and

WHEREAS, Pier 24 Annex has not been occupied since 1980 and is currently vacant; and

WHEREAS, two previously issued RFP's did not result in lease negotiations, or a lease being produced; and

WHEREAS, the Port has negotiated a lease through direct negotiations with the Pilara Family Foundation, a Nevada Non-Profit Corporation for the lease of Pier 24 Annex; and

WHEREAS, the resulting proposed lease provides for a seven-and-a-half year term and an initial annual rent of $131,092 and no rent during a six-month construction period and the Tenant will make an initial tenant improvement investment in the amount of approximately $3.2 million as specifically detailed in the proposed lease now, therefore be it

RESOLVED, that the Port Commission hereby approves Lease L-14414 for the rental of Pier 24 Annex with the Pilara Family Foundation, a Nevada Non-Profit Corporation and upon the effectiveness of such approval, authorizes the Executive Director, or her designee to execute same on behalf of the Port in such form as is approved by the City Attorney, and, be it further

RESOLVED, that the Port Commission authorizes the Executive Director to enter in to any additions, amendments or other modifications to the Lease that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligation or liabilities of the City or Port, and are necessary or advisable to complete the transactions which the Lease contemplates and effectuate the purpose and intent of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 14, 2007.

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Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 7, 2007

TO: MEMBERS, PORT COMMISSION
Hon. Ann Lazarus, President
Hon. Kimberly Brandon, Vice President
Hon. Rodney Fong
Hon. Michael Hardeman
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Informational Presentation on the Environmental Risk Management Policy and Financial Assurance Requirements for Real Property Agreements

DIRECTOR'S RECOMMENDATION: Informational Item – No Action Required

This document describes and clarifies the Port's existing policy regarding financial assurance requirements for real property agreements to address potential environmental liabilities, and the roles and responsibilities of Port staff with respect to ensuring compliance with these requirements. Every lease or license for industrial or commercial activities shall be subject to review for applicability of financial assurance requirements.

Background

Under federal, state and local environmental laws, the owner of property is strictly liable for the environmental condition of its property, regardless of its lack of culpability in creating the environmental harm. Consequently, the Port can be held liable for environmental problems created or left behind by its tenants, licensees and/or permittees. (For purposes of this staff report and the attached Policy, the term "tenant" shall include licensee and permittee.) This could include Port expenditures for staff time, laboratory analyses, regulatory fines, removal of abandoned materials, site investigation, remediation of soil and groundwater, and other unfulfilled tenant obligations with respect to the condition of Port property. To minimize these environmental liabilities and their associated costs, the Port requires financial assurances for industrial and commercial activities that present significant environmental risks to the Port. Port staff performs an analysis of the potential environmental liabilities and risk to the Port for all leases, lease renewals, lease amendments, assignments, licenses, and permits to enter and if appropriate, the environmental assurance provisions are incorporated into such documents.

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Through this policy, the Port is seeking to manage risk and minimize potential Port liability. The goal is to establish an approach that reasonably reflects risk to the Port while trying to maximize trust assets through commercial and industrial leasing opportunities, and to employ a consistent methodology that fairly characterizes and protects the Port against such risks. Numerous regulatory precedents exist at both the federal and state levels and these have been used to inform this policy.

Financial Assurance Requirement

The financial assurance requirement ensures that adequate funds are available to cover the costs of a tenant's environmental obligations to the Port. It has two basic components which are usually used in combination:

- Environmental Oversight Deposit
- Environmental Performance Deposit

The standard security deposit is used to compensate the Port for routine expenses incurred or damage caused by the tenant. Common examples include unpaid rent or other bills for which the Port might be liable, as well as damage to property such as windows, flooring, and fencing. Additionally, these risks are consistent enough to be addressed as a function of rent, so that a standard security deposit is commonly assessed at the value of two months.

Over recent decades, however, this traditional notion of property damage has evolved to reflect advances in environmental and health sciences and an improved understanding of the potential for harm associated with commercial and industrial activities. These trends have been accompanied by more restrictive regulatory mandates which often impose retroactive liability on broadly defined responsible parties, including property owners. In the context of the standard security deposit, these risks and liabilities are significant and extraordinary. They might include contamination to soil and groundwater, improper handling of hazardous waste or significant regulatory fines. The costs can vary by orders of magnitude, and commonly exceed $100,000 but can easily rise above $1,000,000. As a supplement to the standard security deposit, the environmental financial assurance deposits protect the Port from the unusual and extraordinary environmental risks that can arise from tenant activities.

The Environmental Oversight Deposit is a cash deposit to reimburse the Port for additional staff time and administrative expenses due to a notice of violation or other regulatory order that is issued to a tenant. Administrative expenses include staff time for inspecting and monitoring the condition of the tenant's premises, corresponding with regulatory agencies, and otherwise enforcing and administering the tenant's environmental obligations. Because administrative staff costs are predictable and because the environmental oversight deposit is replenishable, staff has determined that $10,000 is sufficient for the environmental oversight deposit, when needed.

The Environmental Performance Deposit is secured to cure any defaults on the part of the tenant, or to compensate the Port for any damage it might incur as a result of the tenant's failure to perform its environmental obligations. The need for and amount of the Environmental Performance Deposit is determined by Port staff and is based on staff's analysis of

environmental liabilities and risk. Because tenant activities and their associated risks vary widely, a separate determination is made for each tenant. The amount of the Environmental Performance Deposit can range from thousands of dollars to more than one million dollars.

Types of Financial Assurance

A variety of financial assurance mechanisms are available to the Port and a determination of the most appropriate mechanism is dependent upon an array of factors. Examples of financial mechanisms include:

- Cash Deposit
- Letters of Credit
- Corporate Guaranty

When identifying the most appropriate financial mechanism(s), foremost consideration is given to the Port's ability to access the necessary deposit in a timely manner. Difficulties such as bankruptcy or the required consent of a third party institution increase the risk that the Port will not be able to access the financial assurances.

As a rule, a cash deposit is the Port's preferred mechanism of financial assurance for environmental obligations. A letter of credit may also be acceptable provided that the letter of credit is irrevocable, stand-by, unconditional and negotiable, and may be drawn by the Port in the financial/downtown district of San Francisco. A letter of credit may serve to insulate deposits available to the Port from the protections of a tenant's bankruptcy.

In limited situations, the Port may accept an unconditional guaranty from a third party entity, such as a corporate parent, that has the financial capability to guarantee all of a tenant's obligations. Because a corporate guaranty poses additional risks to the Port that cash deposits or letters of credit do not have (such as guarantor fails to abide by the terms of the guaranty requiring Port to sue and guarantor goes bankrupt), the corporate guaranty should be used by the Port only in conjunction with a cash deposit or letter of credit.

Acceptable forms of financial assurance to the Port are restricted to cash deposits and letters of credit, and either of which may be supplemented with a corporate guaranty. Port staff is not authorized to accept any other form of financial assurance without Port Commission approval.

Financial mechanisms should extend throughout the full term of each tenancy plus any time necessary to perform a proper exit inspection (typically 45 days to nine months). In the event that the Port should need to avail itself of these funds before a tenancy ends, a replenishing requirement should be included.

Application of Financial Assurance Requirement

Determinations about financial assurance involve complex environmental issues and the applicability of this requirement to prospective and renewing tenants are made after review and consideration of each leasing application or request for renewal or amendment. Although a

single methodology does not apply to all scenarios; some general guidelines can be identified. Risk analyses and recommendations for financial assurance are generally prepared by the Real Estate Regulatory Specialist who is responsible for environmental affairs in conjunction with leasing and property management. This recommendation is then presented for consideration to the Port's Risk Manager and to the appropriate Deputy Directors of the Real Estate, Planning & Development, and Maritime Divisions. The Risk Manager and Director(s) may accept, revise, or reject the amount of the recommendation; they may also select a different financial assurance mechanism from among the approved types. Approval of any other type of financial mechanism such as a surety bond would require approval of the Port Commission.

Enforcement of Financial Assurance Requirements

Failure by a tenant to maintain and provide proof of financial assurance should constitute an event of default under the lease, subject to immediate enforcement by Port staff. Port staff with responsibility for administration of a lease, license, or permit to enter shall immediately consult with the Deputy Director of Real Estate (or the Deputy Director of Maritime or the Deputy Director of Planning & Development) and, in consultation with the City Attorney's Office, initiate written enforcement of the terms and conditions of the subject agreement. Note that this is the responsibility of the Real Estate or Maritime staff managing the property.

NEXT STEPS

This policy will be presented for discussion in upcoming community advisory group forums. Port staff then intends to return to the Port Commission with a recommendation to adopt this Environmental Risk Policy and Financial Assurance Requirements.

Prepared By: Richard Berman
Environmental Regulatory Specialist
Real Estate Division

PORT OF SAN FRANCISCO
ENVIRONMENTAL RISK MANAGEMENT AND
FINANCIAL ASSURANCE POLICY

This policy explains the financial assurance requirements for real property agreements to address potential environmental liabilities, and the roles and responsibilities of Port staff with respect to ensuring compliance with these requirements. Every lease or license for industrial or commercial activities shall be subject to review for applicability of financial assurance requirements.

BACKGROUND

Under federal, state and local environmental laws, the owner of property is strictly liable for the environmental condition of its property, regardless of its lack of culpability in creating the environmental harm. Consequently, the Port can be held liable for environmental problems created or left behind by its tenants, licensees and/or permittees. (For purposes of this staff report and the attached Policy, the term "tenant" shall include licensee and permittee.) This could include Port expenditures for staff time, laboratory analysis, regulatory fines, removal of abandoned materials, site investigation, remediation of soil and groundwater, and other unfulfilled tenant obligations with respect to the condition of Port property. To minimize these environmental liabilities and their associated costs, the Port requires financial assurances for industrial and commercial activities that present significant environmental risks to the Port. Port staff performs an analysis of the potential environmental liabilities and risk to the Port for all leases, lease renewals, lease amendments, assignments, licenses, and permits to enter and if appropriate, the environmental assurance provisions are incorporated into such documents.

Through this policy, the Port is seeking to manage risk and minimize potential Port liability. The goal is to establish an approach that reasonably reflects risk to the Port while trying to maximize trust assets through commercial and industrial leasing opportunities, and to employ a consistent methodology that fairly characterizes and protects the Port against such risks. Numerous regulatory precedents exist at both the federal and state levels and these have been used to inform this policy.

FINANCIAL ASSURANCE REQUIREMENT

The financial assurance requirement ensures that adequate funds are available to cover the costs of a tenant's environmental obligations to the Port. It has two basic components which are usually used in combination:

- Environmental Oversight Deposit
- Environmental Performance Deposit

The standard security deposit is used to compensate the Port for routine expenses incurred or damage caused by the tenant. Common examples include unpaid rent or other bills for which the Port might be liable, as well as damage to property such as windows, flooring, and fencing. Additionally, these risks are consistent enough to be addressed as a function of rent, so that a standard security deposit is commonly assessed at the value of two months.

Over recent decades, however, this traditional notion of property damage has evolved to reflect advances in environmental and health sciences and an improved understanding of the potential for harm associated with commercial and industrial activities. These trends have been accompanied by more restrictive regulatory mandates which often impose retroactive liability on broadly defined responsible parties, including property owners. In the context of the standard security deposit, these risks and liabilities are significant and extraordinary. They might include contamination to soil and groundwater, improper handling of hazardous waste, or significant regulatory fines. The costs can vary by orders of magnitude, and commonly exceed $100,000 but can easily rise above $1,000,000. As a supplement to the standard security deposit, the environmental financial assurance deposits protect the Port from the unusual and extraordinary environmental risks that can arise from tenant activities.

The Environmental Oversight Deposit is a cash deposit to reimburse the Port for additional staff time and administrative expenses due to a notice of violation or other regulatory order that is issued to a tenant. Administrative expenses include staff time for inspecting and monitoring the condition of the tenant's premises, corresponding with regulatory agencies, and otherwise enforcing and administering the tenant's environmental obligations. Because administrative staff costs are predictable and because the environmental oversight deposit is replenishable, staff has determined that $10,000 is sufficient for the environmental oversight deposit, when needed.

The Environmental Performance Deposit is secured to cure any defaults on the part of the tenant, or to compensate the Port for any damage it might incur as a result of the tenant's failure to perform its environmental obligations. The need for and amount of the Environmental Performance Deposit is determined by Port staff and is based on staff's analysis of environmental liabilities and risk. Because tenant activities and their associated risks vary widely, a separate determination is made for each tenant. The amount of the Environmental Performance Deposit can range from thousands of dollars to more than one million dollars.

TYPES OF FINANCIAL ASSURANCE

A variety of financial assurance mechanisms are available to the Port and a determination of the most appropriate mechanism is dependent upon an array of factors. Examples of financial mechanisms include:

- Cash Deposit
- Letters of Credit
- Corporate Guaranty

When identifying the most appropriate financial mechanism(s), foremost consideration is given to the Port's ability to access the necessary deposit in a timely manner. Difficulties such as bankruptcy or the required consent of a third party institution increase the risk that the Port will not be able to access the financial assurances.

As a rule, a cash deposit is the Port's preferred mechanism of financial assurance for environmental obligations. A letter of credit may also be acceptable provided that the letter of credit is irrevocable, stand-by, unconditional and negotiable, and may be drawn by the Port in the financial/downtown district of San Francisco. A letter of credit may serve to insulate deposits available to the Port from the protections of a tenant's bankruptcy.

In limited situations, the Port may accept an unconditional guaranty from a third party entity, such as a corporate parent, that has the financial capability to guarantee all of a tenant's obligations. Because a corporate guaranty poses additional risks to the Port that cash deposits or letters of credit do not have (such as guarantor fails to abide by the terms of the guaranty requiring Port to sue and guarantor goes bankrupt), the corporate guaranty should be used by the Port only in conjunction with a cash deposit or letter of credit.

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Financial mechanisms should extend throughout the full term of each tenancy plus any time necessary to perform a proper exit inspection (typically 45 days to nine months). In the event that the Port should need to avail itself of these funds before a tenancy ends, a replenishing requirement should be included.

APPLICATION OF FINANCIAL ASSURANCE REQUIREMENT

Determinations about financial assurance involve complex environmental issues and the applicability of this requirement to prospective and renewing tenants are made after review and consideration of each leasing application or request for renewal or amendment. Although a single methodology does not apply to all scenarios, some general guidelines can be identified. Risk analyses and recommendations for financial assurance are generally prepared by the Real Estate Regulatory Specialist who is responsible for environmental affairs in conjunction with leasing and property management. This recommendation is then presented for consideration to the Port's Risk Manager and to the appropriate Deputy Directors of the Real Estate, Planning & Development, and Maritime Divisions. The Risk Manager and Director(s) may accept, revise, or reject the amount of the recommendation; they may also select a different financial assurance mechanism from among the approved types. Approval of any other type of financial mechanism such as a surety bond would require approval of the Port Commission.

Risk to the Port from a tenant's activities can be manifested in many ways that can lead to the imposition by staff of a financial assurance requirement. Certain regulatory thresholds and permit requirements can indicate an elevated environmental risk. Similarly, activities such as the storage or movement of large quantities of soil or construction materials can indicate elevated risk levels. On the other hand, many businesses do not require environmental permits, store hazardous materials, or otherwise present significant risk to the Port; such businesses are, therefore, unlikely to trigger financial assurance. Business activities that typically do not trigger financial assurance include office use, restaurants, or fish processing. Finally each determination is predicated upon the analysis of risk only, independently of the remaining lease terms, including rent which in many cases has no relationship to the potential environmental liabilities presented by a particular tenant's operations.

ENFORCEMENT OF FINANCIAL ASSURANCE REQUIREMENT

Failure by a tenant to maintain and provide proof of financial assurance should constitute an event of default under the lease, subject to immediate enforcement by Port staff. Port staff with

responsibility for administration of a lease, license, or permit to enter shall immediately consult with the Deputy Director of Real Estate (or the Deputy Director of Maritime or the Deputy Director of Planning & Development) and, in consultation with the City Attorney's Office, initiate written enforcement of the terms and conditions of the subject agreement. Note that this is the responsibility of the Real Estate or Maritime staff managing the property.

HAZARD AND RISK

A common and important distinction is that between 'hazard' and 'risk'. While hazard is understood to be the potential to cause harm, risk is a consideration of the hazard together with the likelihood or probability that such harm will occur. Both hazard and risk will be considered in determining whether financial assurances will be required and in what amount.

A common and low hazard event such as the release of hydraulic fluids from a vehicle storage yard might not warrant a financial assurance. Similarly, a worst-case scenario can be highly improbable and might, therefore, be a poor basis on which to require financial assurances. As an example, abandoned soil contaminated with chlorinated hydrocarbons might be the most costly scenario for a given operation, yet might be a very unlikely occurrence. Abandoned soil contaminated with lead would be less costly but much more likely to occur and could better serve as a basis for the determination of financial assurance.

Certain regulatory thresholds and permit requirements are indicators of concern that can also represent an elevated environmental risk to the Port. A Department of Public Health Hazardous Materials Unified Program Agency (HMUPA) permit is an example. This permit is required by the State for businesses that generate hazardous waste, store threshold quantities of hazardous materials, or operate underground or aboveground storage tanks. In particular, the generation of large amounts of hazardous waste or the operation of an underground storage tank presents sufficient risk that financial assurance is mandated in state law. Port tenants that are subject to a commercial/industrial storm water permit will also be candidates for financial assurance. This likelihood will increase as the permit level increases from the

- General permit for industrial facilities to
- Industry-specific general permit to
- Individual National Pollution Discharge Elimination System (NPDES) permit

DETERMINING RISK and CALCULATING FINANCIAL ASSURANCE

When analyzing the risks posed by a Port tenant, it is useful to estimate the greatest hazard or worst-case situation. This can help to understand the likelihood of a given range of hazards to determine the risk. Once the risk is characterized, the financial impact to the Port should be calculated, including potential regulatory costs.

Regulatory Precedent

There are many examples of regulated commercial and industrial activities which the federal or state government has determined presents sufficient risk that financial assurance is required.

EXAMPLE 1

Hazardous Waste Facilities

California Code of Regulations – Title 22 §66264.140 et seq.

EXAMPLE 2

Hazardous Waste Treatment Units

California Code of Regulations – Title 22 §67450.13 et seq.

EXAMPLE 3

Household Hazardous Waste Collection Facilities

California Code of Regulations – Title 22 §67450.30 et seq.

EXAMPLE 4

Underground Storage Tanks

Code of Federal Regulations – Title 40 Part 280 §280.90 et seq.
California Health and Safety Code – Section §25299.30 et seq.
California Code of Regulations – Title 23 §2805 et seq.

EXAMPLE 5

Tankers and Barges That Transport Oil in Bulk Across State Marine Waters

California Code of Regulations – Title 14 §791 et seq.

The first example mitigates the risk that an operator of a hazardous waste facility might declare bankruptcy and abandon a facility filled with hazardous waste. As the regulating agency for hazardous waste, the state has an interest in ensuring that responsible parties are held accountable for the materials they handle. The Title 22 regulations include guidelines for determining which businesses are subject to the requirement and a methodology for estimating financial assurance. The requirement applies to specific generators and handlers of hazardous waste that are deemed to pose the highest risks; these include treatment, storage and disposal facilities (TSDFs) and facilities that treat hazardous waste under a Permit-By-Rule (PBR). It does not apply to activities that the state has determined pose lesser risks such as the generation of used motor oil. The methodology requires the estimation of the maximum amount of waste that can be stored (the maximum risk), thus providing a foundation for calculating maximum disposal liability. The methodology also excludes any potential recovery value from the waste materials as part of the financial assurance determination, thus preventing the underestimation of risk. It also requires an annual adjustment of the financial assurance to reflect inflationary costs, adjustments within the industry, and changes in an operation.

This methodology could be adapted to a variety of prospective Port tenants, such as an electronics waste collector. Electronics waste is regulated as hazardous in California but is not subject to the state's financial assurance requirement. Nonetheless, the prospect of an abandoned leasehold filled with hazardous electronic waste would present a financial risk to the Port that would require mitigation. The Title 22 methodology could serve as a foundation for this mitigation.

Each subsequent example cites similar regulations for different activities that would require risk mitigation. Although the activities vary, these requirements establish precedent as well as a

variety of methodologies for determining the amount and form of financial assurance for Port tenants that present heightened risk. Although these examples might not translate directly to a specific tenant activity at the Port, reference to these financial assurance models also promotes consistency in application of this policy. Staff shall use its best professional judgment in applying and adapting these and other models to fairly and objectively assess the risks associated with tenant activities at the Port.

Materials

An assessment of the tenant's operation is fundamental to calculating financial assurance and begins with a materials inventory that includes associated hazards, storage containers to be used (drums, yard boxes, open land, etc.), storage capacity (which might exceed intended storage quantity) and understanding materials flow in the operation (including the generation and management of any waste materials, maintenance schedules, training, and more). The generation and management of hazardous waste is both a common source of risk and a regulated activity. It is critical to know all of the hazardous materials/waste to be used and generated on site in calculating the level of required financial assurance.

The possible unintended introduction of materials is also important and can be the source of significant risk to the Port and the basis for a financial assurance recommendation. Businesses that handle debris from construction and demolition operations can encounter a variety of problem materials; common examples include contaminated soil and building materials which contain asbestos or lead. While a tenant might have no intention of handling hazardous materials, it might unwittingly accept such material. Careful review of operational screening protocols can help to understand the likelihood of this occurrence and, in turn, help to realistically portray the risk to the Port. The tenant's own protocols for managing risk as well as its environmental record will be considered in determining whether financial assurances are required and at what amount.

A financial assurances cost analysis for hazardous materials use and storage should begin with an accurate inventory of types and quantities of materials to be used. Disclosure of such inventories is required in federal and state laws, sometimes known as community-right-to-know laws (CRTK) including:

- U.S.C. Title 42, Chapter 116, Subchapter II, §11022
- 40 CFR 370 Section 312
- CCR Title 19, Division 2, Chapter 4, Article 4 §2729.2
- Uniform Fire Code Article 80

Local enforcement authority resides with the SF Department of Public Health – Hazardous Materials Unified Program Agency (HMUPA).

The inventory can then be used to estimate costs for removal, transportation, and disposal (including long-term disposal liability). The cost analysis should be based on estimates from two or more vendors of each service that will be required, ideally from vendors who have existing contracts with the City.

Abandoned Materials

Abandonment of materials, and hazardous materials in particular which can be especially expensive to remove, is a recurring category of concern and can pose a significant cost to the Port. Materials such as crushed concrete, piles of contaminated soil, drums of used oil, radio transmission towers, all constitute a burden to the Port when abandoned by tenants. Some materials can be costly to remove but otherwise innocuous (abandoned steel), while others may exhibit hazardous properties (friable asbestos insulation).

The potential for abandonment of materials by tenants is, in part, reflected in the strength of the business model. Business models that discourage stockpiling of material or which involve recovery value will decrease the likelihood that large volumes of material will be abandoned. The possibility of abandoned materials should be assessed for routine and planned materials in addition to possible unintended materials. Additional consideration should also be given to the long-term liability the Port incurs as 'generator' of such materials if the responsible party is unknown, unavailable or insolvent.

Cost analysis for assessing the potential environmental risks of abandoned materials should include the costs of testing/characterization, removal, transportation, and disposal (including long-term disposal liability). With proper disclosure the quantities and materials can usually be estimated with reasonable accuracy. The cost analysis should be based on estimates from two or more vendors of each service that will be required, ideally from vendors who have existing contracts with the City

Releases

The release of hazardous materials is always a concern and the complexity of the operation is one indication of this potential. Regardless of intent, releases can and do occur, examples include leaking drums of used oil, burst hydraulic lines, and mismanagement of waste grit from blasting operations. General considerations in determining whether financial assurances are required include understanding the connections, dependencies, and complexities of a tenant's normal production sequence. Careful review of tenant's own operational screening protocols and training as well as infrastructural controls such as secondary containment and berms can also help to realistically portray the risk. Potential sensitive receptors are another important consideration when evaluating the hazards of a materials release. Proximity to residential neighborhoods and the Bay increase the seriousness of any potential release.

Cost analysis for financial assurances to cover potential releases should include the costs of testing and characterization, clean up, transportation, and disposal (including long-term disposal liability). Proper disclosure of materials is helpful as the nature and quantities of the materials will affect these costs. The location, timing, and nature of a release are also important. Location analysis should consider whether materials are stored, moved, transported, or processed on the leasehold or Port property. Additionally, consideration should be given to the potential environmental media to which a release might occur. For example, a liquid release onto a bermed and impermeable concrete pad is very different from a liquid release to soil and groundwater, and different yet again from a release to surface water such as the Bay.

Tenant's environmental risk management protocols and history.
Finally, the reputation and credibility of the tenant are important factors and are evident in the tenant's sophistication and internal risk management protocols, its permitting requirements and compliance history, and in training documents and protocols. All of these help to understand the risk that any business brings to the Port.

Summary
In summary, the approach to financial assurance calculation shall be methodical and based on a risk approach that distinguishes hazards from probabilities of occurrence. General considerations shall be given to the following:

HAZARD

- Materials inventory
- Hazard assessment (including unintended materials, waste materials, etc.)
- Use of less hazardous alternatives where possible
- Storage (quantity, type, capacity)
- Regulatory requirements and potential violations
- Identification of potential points of release and potential receptors

PROBABILITY

- Of Unwanted Materials
  - Likelihood of introduction – (varies with quantity and source of material, recovery value)
  - Mitigation - (training, screening)
- Of Abandonment of Materials
  - Likelihood (increases with poor regulatory/compliance history, the business model, etc.)
  - Mitigation (incentives not to stockpile, financial assurance, provisions restricting quantities)
- Of Release of Materials
  - Likelihood (varies with complexity of operations)
  - Mitigation- (training, compliance history, infrastructural controls: berms, secondary containment, alarms)

AMOUNT OF ASSURANCE/POTENTIAL COST TO PORT

- Confirmation of the materials to be used (including properties, storage, quantities)
- Costs for testing, transporting, disposing of materials
- Costs from release of materials and potential receptors (assessment, remediation)
- Potential for regulatory fines
- Estimates from multiple vendors

TYPES OF FINANCIAL ASSURANCE

Cash Deposit
A cash deposit can be provided to reimburse the Port for expenditures in response to a tenant's failure to perform its lease obligations.

Letter of Credit

A letter of credit is a document issued by a financial institution which provides that the financial institution will honor demand for payment by the beneficiary upon compliance with the conditions stated in the letter of credit. The parties to a letter of credit will include the applicant (e.g. Port tenant), the issuing bank (e.g. the financial institution providing the letter of credit), and the Port as the beneficiary who is to receive the money. Once the Port makes a presentation in compliance with the terms and conditions of the letter of credit, the issuing bank is obliged to honor the payment request up to the face amount of the letter of credit. The letters of credit shall be irrevocable, (i.e. cannot be amended or cancelled without prior agreement of the Port and the issuing bank).

The letter of credit allows a tenant to provide a higher amount of financial assurance to the Port without having to put out the actual cash amount. For example, the tenant may provide Port with a letter of credit worth $1 million. The tenant, however, will only be out of pocket the "fee" that the tenant will pay to the financial institution for issuing the letter of credit. The "fee" is usually determined as an annual percentage of the value or face amount of the letter of credit, which commonly ranges anywhere from .5% (or less depending on the tenant's relationship with the financial institution) to1% per year of the face amount of the letter of credit.

Corporate Guaranty

A corporate guaranty is a promise by another company that has a significant interest in the tenant operations to assume financial responsibility for the environmental lease obligations. The Port must be satisfied that the guarantor has the financial capability (i.e. appropriate tangible net worth) after review of its financial statements, and any other information requested by Port to determine the guarantor's financial capability, all of which should be certified by a senior corporate officer such as the Chief Financial Officer. The guaranty should be issued by a parent company, if one exists. The use of a corporate guaranty requires approval from the Executive Director of the Port.

REVENUE v. RISK

As a corollary to the financial assurance requirement the Port also seeks to balance prospective revenue opportunities with the risks they bring. This can be understood in terms of a revenue/risk ratio. A high revenue/risk ratio would indicate that the revenues to Port are high while the environmental risks to Port are low, a desirable situation. A low revenue/risk ratio is less desirable because the revenues to Port are low but the environmental risks to Port are high, a less desirable situation. Tenant applications will be considered within this context. For tenant applications where the revenues to Port are low but the environmental risks are high, Port's receipt of adequate financial assurance may reduce Port's environmental risk sufficiently to permit Port to enter into a real property agreement with such tenant.

SCENARIO	Revenue	Risk	Revenue/ Risk	DESIRABILITY
Office Use	High e.g. $15,000 / month	Low	**High**	**HIGH**
Storing roll off bins with excavated soil	Low $400 / month	High	**Low**	**LOW**

SAN FRANCISCO
PORT COMMISSION

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AUGUST 14, 2007
MINUTES OF THE MEETING

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MEMBERS, PORT COMMISSION

HON. ANN LAZARUS, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. RODNEY FONG
HON. MICHAEL HARDEMAN
HON. STEPHANIE SHAKOFSKY

MONIQUE MOYER, EXECUTIVE DIRECTOR
AMY QUESADA, COMMISSION SECRETARY

SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING
AUGUST 14, 2007

1. CALL TO ORDER / ROLL CALL

Commission President Ann Lazarus called the meeting to order at 2:03 p.m. The following Commissioners were present: Ann Lazarus, Kimberly Brandon, Michael Hardeman and Stephanie Shakofsky. Rodney Fong was not present.

2. ANNOUNCEMENT OF PROHIBITION OF SOUND PRODUCING DEVICES DURING THE MEETING

Commissioner Lazarus deferred the announcement until the Commission reconvenes in open session.

3. APPROVAL OF MINUTES - July 17, 2007

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; the minutes of the July 17, 2007 meeting were adopted.

4. PUBLIC COMMENT ON EXECUTIVE SESSION

5. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 2:05 p.m., the Port Commission withdrew to executive session to discuss the following:

(1) Discussion of Executive Director's Performance Evaluation for Fiscal Year 2006-07 pursuant to Section 67.10(b) of the Administrative Code and Section 54957(b) of the California Government Code.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER. (Discussion)

a. Discuss anticipated litigation matter pursuant to Section 54956.9(b)(1) of the California Government Code and Section 67.10(d) of the San Francisco Administrative Code.

Number of potential cases: 1 As Defendant

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative.*

a. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning & Development
*SF Piers LLC: Tom Hart and Rocky Fried

6. RECONVENE IN OPEN SESSION

At 3:33 p.m., the Commission withdrew from executive and reconvened in open session.

ACTION: Commissioner Brandon moved approval to adjourn executive session and reconvene in open session; Commissioner Shakofsky seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in executive session; Commissioner Shakofsky seconded the motion. All of the Commissioners were in favor.

Commissioner Lazarus announced that the ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. The Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

7. EXECUTIVE

A. Executive Director's Report: Executive Director Monique Moyer reported the following:

- Warm Water Cove Community Clean Up – August 4, 2007: Mayor Gavin Newsom's Office, Department of Public Works (DPW), Green Connect, the San Francisco Police Department, Sheedy Drayage, Mirant Corporation, PG&E and the Black Rocks Foundation helped with the clean up of Warm Water Cove and provided lunch. The volunteers participated in the beautification and clean up of graffiti vandalism, weeding and litter removal. The Port Maintenance and the DPW staff repaved the pathways and replanted. She commended everyone who volunteered and hoped that we continue to do such effort along the southern waterfront. She thanked Commissioner Brandon for her attendance and support.

- Final meeting of Cruise Terminal Advisory Panel (CTAP) - August 8, 2007: The Cruise Terminal Advisory Panel held their last meeting on August 8, 2007 and adopted a set of recommendations. They will be coming to the Port Commission at its September 25 meeting. Frankie Lee, former Port Commissioner and President of CTAP, and Steve Falk, President and CEO of SF Chamber of Commerce will be making the presentation.

- SPUR Brown bag luncheon on the Port's Southern Waterfront Planning Projects - August 16, 2007 at 12 noon, SPUR's office at 312 Sutter Street, San Francisco: On Thursday, Diane Oshima and David Beaupre will be providing an update at a brown bag lunch hosted by SPUR on the Port's southern waterfront planning projects.

- Television Interview with Barbara Taylor – August 30, 2007 at 5:15 p.m.: She is scheduled to interview with Barbara Taylor, the CITYDESK, on August 30. It's a tentative date and it may get postponed. She's looking forward to the opportunity to update her and her viewers on issues affecting the Port including the possibility of a General Obligation bond.

- 2007 Preservation Design Award from the California Preservation Foundation for the Piers 1½, 3, 5 Project - September 15, 2007 from 5 p.m. to 7:30 p.m. at the Westin St. Francis Hotel: The Piers 1½, 3 and 5 Historic Rehabilitation Project has received a California Preservation Foundation Design Award. They are one of 10 California rehabilitation projects to receive this award from the foundation. The Ferry Building received the same award in 2004.

- California Coastal Clean-Up Day - September 15, 2007 from 9 a.m. to 12 noon: The Port is a co-sponsor of this event. Last year, there were 2200 volunteers that removed 11,000 pounds of city trash; 85% of which came from the southern waterfront. This is a very meaningful, community clean-up day for the Port. There will be five sites on Port property that will be targeted for clean-up. It includes Mission Creek, Agua Vista Park, Warm Water Cove, Pier 94 Wetlands and Heron's Head Park. Anybody that would like to volunteer can contact Literacy for Environmental Justice or the Parks Conservancy or the Port.

- Final Presentation of SPUR's 2007 Piero N. Patri Fellow in Urban Design, on Warm Water Cove - September 25, 2007 at 5:45 p.m. at Pier 1: Following our Port Commission meeting on September 25, 2007, SPUR will be hosting a presentation at Pier 1 by Mike Ernst who is SPUR's Piero Patri Fellowship. After Piero Patri passed away, his family established a fellowship through SPUR. Mike Ernst is the lucky recipient. He will present his concepts for improvements to Warm Water Cove Park and the surrounding areas and a catalog of southern waterfront open spaces. The Piero Patri Fellowship in Urban Design is a hands-on position for a graduate student in urban design, landscape architecture or urban planning.

- On August 6, 2007, Peter Dailey celebrated his 20th anniversary as a Port employee. He has seen more about the Port's maritime business than any of us. She can't believe Peter's commitment and enthusiasm and stamina. She's hoping that in the beginning of 21st year, great things are going to continue to happen.
- This month marks the tenth anniversary of Commissioner Kimberly Brandon's tenure with the Port Commission. It is a momentous occasion and she thanked her for volunteering for the Port for ten years. It's an incredible achievement. Commissioner Brandon was appointed by the Port Commission in August 1997 by then Mayor Willie L. Brown. She's the first African American woman to serve on

the San Francisco Port Commission and she's been reappointed two subsequent times, once by Mayor Brown and once by Mayor Newsom. She has been the Vice President of the Port Commission, she's been the President of the Port Commission and she has attended many meetings. She's extremely committed. During this ten-year, Commissioner Brandon has fostered international trade relations in China, Vietnam, Chile, Argentina and Mexico but most importantly, she's been a great steward for the neighborhoods and constituents in the southern waterfront and was instrumental in setting up the southern waterfront advisory committee. That was quite a marquee contribution. She's also sitting on the first ever subcommittee of the Port Commission, studying the planning of Seawall Lot 337, also known as Lot A. Commissioner Brandon also spends numerous hours serving the community at other various non-profits. She is co-founder of the Advisory Board of the San Francisco Microcredit Loan Fund; board member of the San Francisco Ho Chi Minh Sister City Committee; board member of the Young Scholars Program, board member of the Bayview Hunter's Point Project Area Committee, treasurer of Jelani House, Inc. and Young Community Developers of San Francisco. She is a native of San Francisco and a graduate of San Francisco State University and works at the prestigious firm of Morgan Stanley. Commissioner Brandon has been a tremendous supporter of Port staff. She is constantly willing to listen and very polite when she disagrees. She has given Port staff great guidance and leadership. Ms. Moyer thanked her for that and hoped that she will have another ten years to guide the Port in the development of the southern waterfront. She thanked Commissioner Brandon for her service.

- SPUR's article "On the Waterfront, Hard Choices at the Port of San Francisco" distributed in August: SPUR reinstated their waterfront committee and the committee has been diligently hard at work for six months. They published a report in the August volume of SPUR's magazine entitled, "On the Waterfront, Hard Choices at the Port of San Francisco." It is a great piece on the complexity of how the Port is governed and the decisions that it makes but it also carries with it a number of recommendations that are, in some cases, very provocative. We look forward to researching them and possibly implementing them. She thanked SPUR for their interest and commitment to the Port.

B. Informational Presentation on proposed new policy for Southern Waterfront Community Benefits and Beautification Projects.

Ms. Moyer indicated that at previous Commission meetings, there has been interest by the Commission and in particular, Commissioner Brandon, in doing a yeoman's job of marrying multiple uses in the southern waterfront. It's long been a heavy industrial area dating back to when the lands were originally filled to create the beltline railway properties. Throughout the world, it's becoming clear that heavy industrial can co-exist with other uses but certainly can exist in beautified spaces. This policy sets forth some guidelines which, if adopted by the Port Commission, would become part of our standard form leases in terms of beautification and co-existence in the Southern Waterfront.

To highlight, the Port seeks the following beautification measures and community benefits in consideration for the use of its facilities or properties in the Southern Waterfront:

1. Beautification, greening and maintenance of any outer edges of and entrances to the site and premises. We've been working with our new tenants on such things.

2. Creation and implementation of a Community Outreach and Good Neighbor Policy. We have good neighbor policies in other parts of the waterfront. We certainly have that replicated in the southern waterfront but because there could be very different uses at different tenancies, we would like the tenants to create those Good Neighbor Policies that are appropriate for their operations.

3. Use, as needed, or support of job training and placement organizations serving southeast San Francisco. As part of addressing some of the impacts from heavy industry and other users in the southern waterfront, we'd like to make sure that there are an equal number of benefits.

4. Commitment to engage in operational practices that are sensitive to the environment and the neighboring community by reducing engine emissions consistent with the City's Clean Air Program, and use of machines at the site that are low-emission diesel equipment and utilize biodiesel or other reduced particulate emission fuels. We anticipate that this will continue to evolve as the industry evolves.

5. Employment of a large percentage of the managers and staff at the site who live in the local neighborhood or community.

6. Use, as needed, of Local Truckers; for purposes of this Policy, "Local Truckers" mean those truckers that are certified by the San Francisco Human Rights Commission as a "Local Business Enterprise" pursuant to the City's Local Business Enterprise and Non-Discrimination Ordinance.

7. Use, as needed, of Local Businesses; for purposes of this Policy, "Local Businesses" means those businesses that are located within the Potrero Hill and Bayview Hunters Point Neighborhoods. Local businesses may include, but are not be limited to contractors, printers and service providers.

As part of the policy, staff proposes to impose a surcharge at the outset of the lease which can help to beautify and restore areas in the southern waterfront. Southern Waterfront is the area located from Mariposa Street in the north to India Basin in the south. Staff's intent is to work with the advisory community groups to get their comments on the policy and return to the Commission with a recommendation for a finalized policy.

Commissioner Brandon thanked the Executive Director and commented that it is a great first draft. She's looking forward to the comments from the various community groups. On the rental surcharge, she thinks it's a great first try and the $.05 fee is appropriate for maritime and we would like to encourage maritime tenants there. However, she proposed increasing the surcharge to non-maritime tenants or it can be negotiated as part

of the community benefit plan per lease depending on the size of the project. She'd like to have a couple of ways to look at it. The policy looks great and she's excited to hear what the community groups have to say or add to it.

8. CONSENT

A. Request approval of the Port's Revised Annual Operating and Capital Budgets for Fiscal Year 2007-08. (Resolution No. 07-58)

B. Request approval of Fiscal Year 2007-08 Executive Director Salary and Benefits. (Resolution No. 07-59)

C. Request approval of a Memorandum of Understanding No. M-14396 between the Port and the San Francisco Municipal Transportation Agency, for the rental of 30,625 square feet of Pier 17 for the storage of the Motor Coach Reserve Fleet for a term of 36 months. (Resolution No. 07-60)

D. Request authorization to accept and expend $510,000 and $200,000 in grant funds from the California Department of Boating and Waterways (DBW) and the California Coastal Conservancy, respectively, for the Pier 52 Public Boat Launch Project; approval and ratification of the Port's application to DBW for these funds. (Resolution No. 07-61 and 07-62

E. Request approval of Addendum to Lease No. 13816 with Literacy for Environmental Justice for the construction, maintenance and operation of a Living Classroom Building at Heron's Head Park. (Resolution No. 07-63)

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution Nos. 07-58, 07-59, 07-60, 07-61, 07-62 and 07-63 were adopted.

9. ENGINEERING

A. Request approval of Contract Modification to the Illinois Street Intermodal Bridge South Approach Contract No. 2709 with Stacy and Witbeck, Inc, to extend the substantial completion date to November 8, 2007, and to increase the contract amount by an additional amount not to exceed $200,000. (Resolution No. 07- 64)

Kim von Blohn, Project Manager, indicated that the south approach includes railroad spurs and road connection into the southern part of the Illinois Street Bridge project. Some of the work under this project including instrumentation and electrical systems have to be completed before the entire bridge project can be tested and proved out. This project is driving the completion of the bridge. The funding and time extension request is for the protection and relocation of unforeseen underground utilities. The excavation of rail track and utilities has proven to be somewhat of an industrial archeological dig. Every time the contractor excavates, they are finding new abandoned pipes, old foundations, old roadways, unanticipated hazardous soil that has to be disposed of and

unforeseen repair of wharf adjacent to the bridge which is used for the fireboat location for the auxiliary water supply system. In addition to all these relatively minor problems, they found that some of the utilities going into Darling International under existing railroad tracks were not encased and at the proper depth for the utilities and the railroad company. Because we are building new tracks over this location, we have to meet new standards. This item cost over $90,000. One of the other problems highlighted at the last Commission update was a confluence of utilities under the new proposed rail track including 16-inch water line, 6-inch gas line, two 12 kb power cable, an abandoned fuel oil line and two AT&T cables. Our design consultant had a very economical plan to bridge over these utilities. Unfortunately, Union Pacific Railroad rejected it. Staff worked diligently with the railroad and the utility companies to come up with an alternative solution which is a bridge over these utilities that won't load them at all. Prior to building the bridge, we have to remove the fuel oil line which is at the bottom of the confluence of utilities. This is the responsibility of PG&E and they are currently doing the work at their cost and should be able to meet our schedule. This is part of the overall project so it's going to delay the completion of the bridge until the end of this year. At that time, we can test and prove out the entire system. In summary, he asked for a 62-day delay change in schedule to November 8, 2007 for substantial completion and a budget increase of up to $200,000 to accommodate the new work that we have to do and to mitigate some of the delay cost to the contractor. Funding for this work will come from the Port operating budget.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 07-64 was adopted.

B. Request approval to enter into contract a with Forell/Elsessler Engineers Inc. for Engineering Consulting and Design Services related to the Pier 35 Substructure Repair Project in an initial amount of $250,000, with a one-year term and option to renew for two additional years. (Resolution No. 07-65)

Norma Nelson, Contract Manager, indicated that the purpose of this contract is to provide much needed professional engineering and consulting services related to the Pier 35 substructure repair project. At this time, staff is recommending that the Commission award the contract to Forell/Elsessler Engineers in the amount not to exceed $250,000. At the May 22, 2007, the Commission authorized staff to issue a Request for Proposals for this project and to initiate a competitive selection process that would result in a staff recommendation for contract award. The firm selected was based upon a scope of work that included three phases of work. At this time, she asked the Commission to award the first phase of the work that involves conducting a detailed condition survey or investigation and providing some preliminary professional engineering defined services. Staff will return to the Commission at a later meeting with a recommendation concerning the other two phases depending upon the outcome of Phase 1. Staff convened a selection process that included issuing the RFP and convening a selection panel. The five-member selection panel was composed of two Port staff and three members from the Department of Public Works, Public Utilities Commission and the Port of Oakland. There were five teams interviewed. The paper scores and written proposal each carried a 50% weight and were combined in determining the recommendation for contract award.

Part of the scoring included scores for the fee and also for the references. There was a one point difference between the highest ranked and next highest ranked firms. One of the distinguishing factors for the selection committee in recommending for Forell/Elsessler Engineers was the fact that they took a boat tour and surveyed the substructure surface of the Pier 35 site in preparation for the interview. They also provided pictures of what they found and provided specific information relating to the project and how they would approach the project. The HRC requirement for LBE subcontracting goal for this project is 20%. The total LBE participation goal for Forell/Elsessler Engineers is 23%, which exceeds the HRC's goals. Part of this procurement process because there were three phases and because in the first phase, two different options were included, one of the option was that in the event that we determine that there was going to be a seismic upgrade, we asked the consultants to provide a fee for that amount. If we were not going to have to go through with the seismic upgrade requirements, we also asked them to provide us with that amount. With this particular contract, she asked the Commission to award the higher amount which includes the seismic upgrade consulting services if needed. Once they've concluded the phase one of the project, staff will return to the Commission at a later date depending upon the outcome of Phase 1 to recommend award for Phases 2 and 3.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 07-65 was adopted.

10. PLANNING & DEVELOPMENT

A. Request approval to execute Sixth Amendment to the Amended and Restated Exclusive Negotiation Agreement (ENA) with SF Piers LLC for the Piers 27-31 Mixed-Use Recreation Project Extending the Term and Amending the Benchmarks (Site Location: Piers 27-31 on The Embarcadero, between Francisco and Battery Streets). (Resolution No. 07-66)

Jennifer Sobol, Planning and Development, requested another extension of the ENA with SF Piers LLC for the Piers 27-31 project. The ENA expires August 31, 2007. There have been several extensions because staff has been working with the developer to make the project more trust consistent and trying to determine whether the project that incorporates the Port's primary homeport cruise terminal at Pier 27 could be economically viable. The parties are still engaged in the discussions but are closing in on the issues and need more time. Staff is requesting an expiration date of January 31, 2008, an extension of 122 days. As noted in the staff report, the parties are committed to accelerating the schedule to seek approval of the amended and restated development memorandum prior to the January date. Staff is also requesting revision of certain benchmarks in the ENA as set forth in the staff report. Primarily, we are requesting that by October 1, 2007, the developer would submit the revised proposed plan of development which includes the revised drawings, the pro-formas, the financial deal terms, any required changes to the development memorandum, the schedule of performance, the use program, regulatory approvals and any other regulatory approvals and any other required documentation. Staff is also seeking a continuation of the temporary suspension of benchmark #8 which is the letter of intent for the active

recreation operator until we know further what the use program is and the layout. Before the expiration date, staff would also seek the endorsement resolution, Benchmark #9, of the development memorandum prior to the expiration of the ENA. The other revisions of benchmarks are set forth in the staff report. She requested Commission's approval of the sixth amendment to the ENA incorporating the extension to January 31, 2008, the benchmark revisions and authorizing the executive director to execute the sixth amendment.

Commissioner Brandon indicated that she has concerns about the project. It is her first time seeing the new proposal for what the site may look like. The last time this item was presented to the Commission for an extension, she had requested that Shorenstein work with staff in a timelier manner so that staff can discuss with the Commission the status of the project. At this point, she can't tell what the economic feasibility is. She can't tell what the program is going to be. They keep extending the contract but when the developer requests for more time extension, the Commission don't have enough information to base anything upon. She's wondering if there is some way to set up some type of schedule that if we do this extension period, then we'll really have something to look at to base a decision upon.

Mr. Robert Herr, counsel representing Shorenstein, indicated that he understands the Commission's concern and it's certainly the concern of the developer as well to move this matter forward as rapidly as it can be but the project is extremely complicated and they are now working on a program that would actually relocate a cruise ship terminal or make permanent a cruise ship terminal at that location. Given the difficulties of the understructure of Piers 27-31 and the complications that were introduced when they were discovered a year and a half ago, it's a very complicated process. He's sure that Port staff and the developer will work together to keep the Commission as fully informed.

Commissioner Brandon indicated that she's concerned that she has not seen recreation in the project. She's not sure if the developer is totally moving away from that for the cruise terminal or it is going to be a part of the project. Mr. Herr indicated that it's his understanding that it's going to be a part of the project located on Pier 27. It's the developer's understanding that it is one of the Port's continued goals.

Jennifer Sobol clarified that the reason staff asked for 122 days is we felt we needed this time to inform the Commission of the pro forma. Staff has not received an official submittal from the developer yet with all the items she enumerated. There is an opportunity in executive sessions which staff thought would work over the 4-month period and allow that kind of discussion and review by the Commission and also allow staff time to revise the development memorandum.

Commissioner Brandon indicated that at the last extension, the Commission knew about the cruise terminal and they knew about the substructure and this was a recreational facility to begin with. She's not quite sure what we've done in the last six months to keep going. Ms. Sobol replied that what they are trying to arrive at is a proposal that will allow for the homeport cruise terminal at Pier 27 that is economically viable but it's ultimately the Port Commission's decision on that mixed of uses whether to go forward.

Staff will have an informational presentation to the Commission and the public and the recreation is reduced.

Commissioner Brandon hoped that at this point, the public is included in the process since it's changing so much and that we are going out to the various community groups and talking to them about how it's changed even if it's something that San Franciscans want. She encouraged staff and the developer to do the outreach and to make sure that everybody's on the same page because it's changed a lot. Ms. Sobol indicated that once the submittal is made and we've landed on the plan, it's the intention of both the staff and the developer to go out to the community groups, the Northeast Waterfront Group, to show the plans. Staff needs this time period to accomplish that.

Commissioner Brandon suggested adding something to the resolution indicating that the outreach needs to be done by November so that we have time for feedback in between the next extension if we move forward with this project. Ms. Sobol indicated that the extension date is January 31 and we are proposing to seek approval of the development memorandum prior to that. What she's hearing is that the comment in the staff report that we were committed to accelerating that schedule is what the Commission is concerned about. Commissioner Brandon indicated that she's concerned about the uses and how it has changed so much from the original RFP versus where it stands now. Hopefully, we are communicating with the community groups and the public of what direction we are going in because the Commission keeps getting the information the day of the Commission meeting. It's not a lot of time to be able to figure out where we are going and the best way to go. Ms. Sobol concurred with Commissioner Brandon's comment and added that staff will reach out to the various community groups and the regulatory agencies by November.

Mr. Herr indicated that the revised benchmark for community outreach program is October 1, 2007 which would be consistent with the Commission's request.

Commissioner Hardeman echoed Commissioner Brandon's concerns. This project is looking nothing like it was a year ago. In its present form, it would be extremely difficult for him as a Port Commissioner to approve this project.

Dennis McKenzie indicated that he provided the Commission with a proposal to include a basketball education center at this recreation project. He is proposing a sports and public service pathway for access for all the high school kids in San Francisco. He would hope that this project continues to include recreation and the development of the proposal that he has given to the Commission, state officials and federal officials as well. He believes that this is an opportunity to create a model program for the benefit of high school kids who do not see the relevance of their high school studies in many of the classrooms that he teach in San Francisco. This could be a tremendous opportunity to provide education where kids would come and learn all the jobs associated with sports. High school, professional, college – these are the kinds of things that kids are motivated by. The discussions in San Francisco public schools are how to give kids an incentive to stay in school. Truancy is outlandish in this City. 43% of the kids who move from middle school to high school in San Francisco graduate; 57% do not. He asked the Commission, the City of San Francisco, the Shorenstein/Farallon group to consider his

proposal to include it in this project for the benefit of all high school kids and all of our families.

Ernestine Weiss asked the Commission to consider soccer and volleyball courts as part of the recreation plan for the piers. She asked why it is a problem to approve this project. It isn't as a radical a departure from the original plan except that it has a cruise terminal which is sorely needed.

Ms. Moyer replied that the latest plans have not been made available to the public which is Commissioner Brandon's point.

ACTION: Commissioner Shakofsky moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor. Resolution No. 07-66 was adopted.

11. REAL ESTATE

A. Request approval of a Memorandum of Understanding No. M-14383 between the Port and the San Francisco Municipal Transportation Agency for approximately 7,600 square feet of land under Port's jurisdiction for the construction and maintenance of certain improvements along the Islais Creek Shoreline. (Resolution No. 07-67)

Jeff Bauer, Leasing Manager, indicated that MTA intends to construct its Islais Creek Motor Coach operations project on property that it currently owns located adjacent to Islais Creek. A portion of this construction would be within the 100 foot shoreline band that is under the jurisdiction of the Bay Conservation Development Commission (BCDC). In order to conduct this work, the Port and the MTA have submitted a permit application to BCDC. BCDC is requiring that the MTA perform certain mitigation measures including shoreline landscaping, irrigation and removal of a derelict pier and concrete piles. Approval of the MOU would allow the MTA to enter Port property to conduct such work and to provide regular maintenance.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 07-67 was adopted.

B. Request approval of a seven-and-a-half-year Lease No. L-14414 with the Pilara Family Foundation for the rental of 27,311 square feet of Pier 24 Annex. (Resolution No. 07-68)

Jeff Bauer, Leasing Manager, indicated that Pier 24 Annex was built in 1935 to 1936 which is approximately 27,000 square feet of pile supported enclosed pier space. The site fronts the Embarcadero and is within the Northern Waterfront Historic District. Pier 24 Annex is currently vacant and has not been occupied since 1980. The Port has attempted to lease the Annex over a period of several years by issuing a Request for Proposals. None of the requests have resulted in negotiations or a lease. Since May 2007, Port Real Estate staff has been in direct negotiations with the prospective tenant, the Pilara Family Foundation. The Annex would be used for the storage and for the curation

of the Pilara photographic collection. The collection would be available by appointment only for research by academics and other art and photographic professionals. The proposed lease would include a term of 7 ½ years. The tenant will receive a 180-day construction period during which time, no rent would be paid. The lease would commence on the earlier of December 1, 2007 or the date that the Port issues the building permits for the core improvements. This is a change from the staff report. When he wrote the staff report, the start date was going to be November 1, 2007. It has been moved to December 1, 2007. The rent will commence on the earlier of June 1, 2008 or six months after the date that the Port issues the building permit for the core improvements. Initial rent would be $131,092 or $0.40 per square foot which is in accordance with the current rental rate schedule approved by the Commission. Rent would be adjusted by 3% a year. The tenant improvements would be approximately $3.2 million and comply with the Secretary of Interior Standards for the rehabilitation of historic buildings. The tenant would provide a performance completion bond equal to 1- ½ times the amount of tenant improvements. The Port of San Francisco has received a categorical exemption from the City's Planning Department for this lease. Staff recommends that the Port Commission approve Lease No. L-14414 for the lease of Pier 24 Annex with the Pilara Family Foundation, a Nevada non-profit corporation, for a term of 7 ½ years. Further, staff requests that the Commission authorize the Executive Director to enter into any additions, amendments, modifications to the lease that the Executive Director, in consultation with the City Attorney, determines are necessary to effectuate the purposes of the lease and/or in the best interest of the City and the Port and do not materially increase the obligations or liabilities to the City or the Port.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 07-68 was adopted.

C. Informational Presentation on the Environmental Risk Management Policy and Financial Assurance Requirements for Real Property Agreements.

Rich Berman, Regulatory Specialist with the Real Estate Division, indicated that this is an informational item and it's an enhancement and written version of existing Port policy regarding environmental risks. The basic premise is that federal, state and local law holds property owners responsible for the environmental condition of their property. Their retroactive liability is often extraordinary. We have a policy to protect ourselves from the financial burden associated with the commercial, industrial tenant activities. He showed the Commission some pictures of such activities at the Port. One is leasehold after a tenant leaves; it's clean and simple. Another is an example of the kind of activities that we have on Port property that have done very well. There are drums and other hazardous materials, containers in secondary containment. There are labels that are pointing out to the front. There are a lot of examples in the photo of best management practices. He showed a photo where there are housekeeping problems. The labels on the drums are turned inward and there is a spill on the floor. He showed a photo of the Port's hazardous waste area. The drums are properly labeled, good secondary containment and nice berms for the entire area. He showed a photo with an example of bad hazardous waste where oil left out in the open. The point of all of these is that when things are done well, we don't have a problem. When they are done poorly, when the containers spill

over, we can be left with environmental problems that range from hundreds of thousands of dollars to tens of thousands of dollars or even upwards of a million dollars. It's that kind of extraordinary environmental liability that we are trying to address. He showed another photo with an example of a mess, the white area on the floor is absorbent that somebody poured to soak up a spill and didn't do anything but leave it on the ground. Cleaning up a situation like this can penetrate into the subsurface which could jump into the tens of thousands of dollars very quickly.

Commissioner Shakofsky asked if the pictures are all from our properties. Mr. Berman replied that some are from our properties but added that all the good ones are Port operated.

Mr. Berman showed a photo with an example that is somewhat surprising and indicative of the need for the policy that we are presenting; it's electronic waste. Some people don't realize that electronic waste in California is hazardous waste. A prospective tenant who might want to be engaging in what's presumably and defensively good business of recycling hazardous waste runs the risk of leaving it if they go belly up. It's a new industry. There are financial and business risks that accompany that. If they were to fill one of our shed spaces with electronic waste, we would be left with the financial burden of finding proper disposal for it which could run $30, 000 to $50,000. He showed an example of soil aggregate transportation, not necessarily a problem if done well. It's subject to a variety of considerations e.g. what is the source, was the material screened through chemical analysis before it was brought on to Port property, what kinds of containment do we have? There are a whole slew of things that might make this kind of activity more or less risky to the Port. What this policy tries to do is examine the operations, the risks, and come up with some kind of dollar amount that may serve to protect the Port. The distinction that was spelled out in the report is that the standard security deposit does not address this. The standard security deposit deals with traditional real estate kinds of risks such as broken windows and damage to a doorway or something similar. We are dealing with an understanding of the risks that come from subsurface contamination, improvements and environmental and health sciences. That is reflected in the federal and state laws in the restrictive regulations and in the retroactive liability that accompanies that. The Port is now in a position as a property owner to look at that risk that comes from its tenants and industrial and commercial activities and protect itself. This is in elaboration of the policy that the Port is already acting under.

Commissioner Shakofsky asked if the soil aggregate transporters are required to have an air permit. Mr. Berman replied that they are not always required. She asked if there are any certain circumstances under which they are required. Mr. Berman replied that he believes there are some. When the Port receives an application, staff checks for that particular operation and requires it if it is needed prior to recommending the lease for signature.
Mr. Berman indicated that once the tenant application comes to the Port, the Real Estate staff will review it for operational considerations and if staff deems it a significant risk, staff will recommend one of two mechanisms, usually both in conjunction and environmental oversight deposit which is essentially a mechanism for reimbursing the Port for administrative costs associated with violations and staff time and an environmental performance deposit which is the most significant one and varies most

drastically which is intended to protect the Port against damage to property and those costs can be quite significant. With regard to the types of financial assurance, we typically prefer cash. The letters of credit is our next best shot and under certain situations, staff has recommended that we approve a corporate guarantee or a corporate promise by a corporate officer of certain status. Once that determination has been made, it is a recommended to the Port's Risk Manager and the appropriate deputy directors and the executive director. They can reject that and revise it or take it as is. At that point, it will be factored into the lease. Every tenant, every lease agreement, lease assignment, lease renewal, permit will be subject to review. Not every tenant will be required to provide financial assurance; most have not. Everyone is subject to review; only the significant environmental risks are subject to requirement.

Commissioner Shakofsky indicated that one of the things that is common on leases where you have a tenant who may be handling hazardous materials or hazardous waste is that the Port as a landlord are assured that whatever permits they are required to have are up to date and any inspections that are required of them, all of that comes to the Port and we are keeping records.

Mr. Berman replied that is part of the review. Every application goes through a process we call a pipeline. It's an interdivisional collaboration for review for all of the planning and environmental kinds of considerations. We march through each those permits, the stormwater permits, the hazardous materials and hazardous waste permits, the air permits, the financial assurance. Each one of those is examined in advance. If we need to, we refer to the Department of Public Health for their prior approval or refer to the fire marshal to make sure that any hot works permits or other permits they need are cleared. At times, we will require that they may need to provide an operational plan that details their secondary containment or other kinds of best management practices. These all occur prior to the initiation of the lease.

Ms. Moyer amplified that in our boiler plate lease, we also have a provision that all permits must be maintained and in good standing and that the Port be notified if there are any violations or not. Early on in her tenure as Port director, staff evicted a Port tenant because the licenses had elapsed and were not going to be renewed. That is also included \in our boiler plate. This would be new language that will go into our boiler plate if adopted by the Commission next month.

12. NEW BUSINESS / AGENDA SETTING

Ms. Moyer indicated that there will two meetings a month for September and October, pursuant to our standing calendar. The agenda for September 11 is a little shorter than usual. Staff intends to come to the Commission to request approval for the Port to participate in the proposed general obligation bond that is slated for February 2008. In respect of that, the State constitution under Proposition 13 provides a schedule by which the public must be notified of an intent to raise taxes before a vote. Today at the Board of Supervisors, a resolution of public intent and necessity was introduced as a placeholder for the February election for General Obligation Bonds for parks and open space. Subsequent to that, the actual bond legislation would be introduced and sits on a 30-day status pursuant to the City Zone process and it would be heard at the board in the middle of September. The plan is that we will be before the

Port Commission with a proposal at our September 11 meeting that would coincide with the bond proposal that the Board of Supervisors will be hearing. The Recreation & Park Department will meet with their Commission on September 6. As of today, a firm proposal of what would be included in the bond has not been decided. That is hastily under way. There are working group meetings with public stakeholders once a week for the coming weeks. Staff would have preferred to do an informational item and then an action item but the decision to go forward in February would have just been made yesterday and that didn't grant staff enough time to make a presentation today. The other item of note is the return, we anticipate, of the Port policy for street performers in the Fisherman's Wharf area. Meetings and discussions continue to happen in the Fisherman's Wharf area. They have been well attended and well received. We think that the schedule is that we can be back with a firm recommendation on September 11 but we are working with the community. One item that is missing from the forward calendar is that staff will need the Port Commission's approval to accept and expend authorization for the 2007 Port security grants. The Port was recently granted security grant money in the last round of grants. Staff will seek Commission's approval at its September 11, 2007 meeting to accept the grant money.

Commissioner Brandon indicated that there is an item on the forward calendar about the drydock. Ms. Moyer replied that staff will be coming back to the Commission with a new idea. We're accepting the cold hard fact that the drydock will probably have to be scrapped.

Commissioner Lazarus indicated that on September 25, we will try to adjourn in time for the SPUR presentation.

13. PUBLIC COMMENT

Espanola Jackson, Bayview Hunter's Point, asked the Executive Director to read the following for the record. Ms. Moyer read the document that Ms. Jackson provided her, "From the SF Gate Multi Media image titled the Bigger Bay, Low lying spots along San Francisco bay shoreline would be inundated if the world seas rise over the century and nothing is done about it. The Bay Conservation and Development Commission using U.S. Geological survey models and national agricultural imagery program, data prepared map, showing potential inundation in 2100. Limitations and data may affect the accuracy of the maps which should not be used for planning purposes, the agency says. At the request of the Chronicle, the conservation agency also made high resolution maps of several regions around the bay to get a close-up look at where the water could go. The Chronicle added place, names and highways to the maps. It is a series of maps with highlights in the southern waterfront, San Mateo, the East Bay, Treasure Island, etc."

Ms. Jackson indicated that she appeared before the Commission a couple of years ago because she had a concern with the project the Commission approved. She provided the Commission a copy of the documents. The newspaper article states that the San Francisco shoreline which includes Mission Bay housing and office development, CalTrain tracks, Candlestick Point, Redevelopment, Heron's Head Park, the city sewer treatment, Treasure Island and the Oakland airport will be under water. Heron's Head Park is a landfill. That was not a park; it was a bay. She has been living in the Bayview Hunter's Point area since 1948. She gets tired of seeing things being pushed down the throats of the people in Bayview Hunter's Point. This is a serious matter. She left a copy of the articles with the maps so the Commission can see

that it points to Heron's Head Park where it will be under water. She also told the Commission about the toxins that were in that area. The Port should have precautionary principles so they do not come to Bayview Hunter's Point. The toxins are still there. They have not gone any where. She asked the Commission to revisit Item 8E.

Lisa Lundberg, performer and friend of Sunshine the Clown, indicated that they will ask the Port Commission to delay approving the Street Performers Program at least one more month in order to fully consider the following identified limitations of the currently proposed ordinance. She thanked the Port Commission and Port staff and the staff of the Fisherman's Wharf Community Business District (FWCBD) for taking the time to hear the proposed Street Performers Program. This action is long overdue and extremely necessary. They appreciate that the Port of San Francisco and the FWCBD is open to hearing and inviting their comments. On behalf of Linda Kutner, Sunshine the Clown, she thanked Karen Bell, the Executive Director of FWCBD for inviting her to submit a proposal that she believes will work. Sunshine will make herself available to both the Port and the FWCBD as she did to the City of Santa Monica to work with the Port in any way necessary to help co-create an ordinance that will work for the merchants, the restaurateurs, the City, the performers and any other concerned citizens. The proposed program will be outlined following her comments by Sunshine. They stressed that to make any program work requires a compromise and input from everyone involved. They are calling for the formation of a committee comprised of representatives from the Port and its legal representatives, FWCBD, the FWWAG, the Merchants Association, the SF Police Department, the SF City Attorney's office and the street performers to fine tune this proposed ordinance. She and Sunshine are sure that their ultimate goal is to establish a vital, well utilized area of the City that draws both tourists and residents alike with its wonderful ambiance while putting more money in everyone's pockets. They feel we have a sterling opportunity to create an arts and entertainment district that, promoted by the leadership of the FWCBD, will usher in a new era and create a Fisherman's Wharf experience of which we can all be proud. However, we all need to acknowledge that there are many problems at Fisherman's Wharf that need to be addressed. They feel that in the true spirit of compromise, all voices must be brought to the table. Experience has shown them that unless all sides have input in the formation of this ordinance, the current problems will not improve. Moreover, lawsuits could result that would mire the City in costly arbitration and needless disputes. Sunshine has identified in her proposal a number of crucial weaknesses in the current proposed ordinance and possible remedies based upon her experience with similar concerns in Santa Monica where she drafted a proposal that no one likes but everyone can live with. One aspect of the proposed SF Street Performers Program that was unstated is the number of permits that would be issued. The language of the proposal used the term limited. The proposal provides for only 8 approved performance spaces with four 3-hour shifts. Any smart business person weighs the calculated risks of when to do business and when the odds are stacked against him. Performers need to know the ratio of performance spaces relative to performance permits that will be issued to determine if this is financially viable. If the number of performers spaces relative to the yearly cost of participation in the proposed program is grossly disproportionate then quality, professional performers who have other options will not see any economic viability in remaining in San Francisco under the terms the Port proposed. They will move on and what will remain at the wharf is exactly the kinds of people this ordinance seeks to discourage. They feel that their proposed program is one which is designed to attract and retain the highest quality of performer. As a professional performer of national standing, Sunshine strongly would love to continue performing at Fisherman's Wharf in San

Francisco for many years to come. They feel that with a bit of time and intelligent application, in a process inclusive of all voices, they will draft an ordinance that will serve the goals of the Port and the FWCBD and preserve San Francisco's international reputation as a city of the arts. It is their goal to see the Fisherman's Wharf area as a destination that every resident in the entire bay area wants to come to and enjoy on a regular basis and for this area to continue to make a lasting positive impression on every tourist who visits San Francisco.

Sunshine the Clown thanked the Port for finally addressing the needs of street performers at Fisherman's Wharf in San Francisco. This is a long ongoing thing. Discussions started in 1984. She performs all over United States such as Los Angeles, New York City, Key West, New Orleans, Seattle, San Francisco, and Santa Monica, to name a few. She comes to the Port in the spirit of trying to make herself available as she did in Santa Monica on a committee of merchants, restaurateurs, theatre owners, police chief, fire chief, Bayview management district to put together an ordinance that works. Nobody likes it but everybody could live with it. She outlined a brief proposal that could be elaborated in other meetings of what she thinks would work and are necessary. First being, the idea of 8 spaces as proposed by the Commission for performers at Fisherman's Wharf seems very unrealistic. Will a performer actually get to work? Are spaces divided in a way that they are suitable for a performance? Will the merchants be happy with those spaces? Will some merchants only get a lot noise and others enjoy the benefit of peace and quiet? In Santa Monica, the way they got around this on the promenade was to have a rotation system. No performer can perform in a location on the promenade for more than two hours. They must rotate. They must go 120 feet in a northerly, southerly direction and return to that area for six hours. There's a 2 hour maximum at any given space. This gives a performer time to move and provide relief from someone who is banging a drum in front of a business consistently for two hours in the same tune. It works but nobody likes it. The next point is using the performers program to stimulate the economic growth of the area. Fisherman's Wharf, to her, is an embarrassment to the City. Residents do not go there unless they are showing their relatives around. She'd like to think that unless they are coming to see her at the Rain Forest Café where she performs, it shouldn't be that way. In Santa Monica, the Police and Fire Chiefs, in meetings, told her that on a Saturday night in good weather, there are approximately 150,000 people on the promenade, a three-block stretch at any given time. We can only imagine how much money those people are spending in the stores, the restaurants and the theatres. Why can't we have the residents of the bay area doing the same? Since her time was up, Sunshine provided the Commission a copy of her statement.

14. COMMUNICATIONS

15. ADJOURNMENT

ACTION: Commissioner Brandon moved approval to adjourn the meeting; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

Commission President Lazarus adjourned the meeting at 4:50 p.m.

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